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ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE
LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS
AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE
INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE
YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUC-
TION AND OPERATION OF THE SAID NATURAL GAS PIPELINE
AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND
INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-
ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K.M. LYSYK, Esq., Q.C.	CHAIRMAN
WILLARD PHELPS, Esq.	MEMBER
MRS. EDITH BOHMER	MEMBER

P R O C E E D I N G S

VOLUME 43

WHITEHORSE, Y. T.

JULY 8th, 1977

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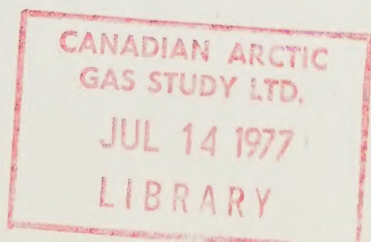
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Kruse, Fison,
Baring-Gould
Cr-Ex by Bayly

5781

Whitehorse, Yukon Territory

July 8th, 1977

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

MR. CHAIRMAN: Ladies and gentlemen, I believe we're ready to proceed.

MR. GOUDGE: Yes sir, if we could all take our seats, the panel that was on yesterday, is prepared to subject themselves to further cross-examination, then Mr. Bayly I think, is up to bat.

MR. JACK KRUSE, Resumed;

MS. SUE FISON, Resumed;

MR. MICHAEL BARING-GOULD,
Resumed.

MR. BAYLY: Mr. Chairman, I've been asked if it's symbolic that I moved over to the table. I understand that only --

MR. GOUDGE: No questions Mr. Bayly?

CROSS-EXAMINATION BY MR. BAYLY (CONTINUED):

Q I have one question arising out of -- and I can't see the panel very well, but -- I have one question arising out of last night's cross-examination. That is this, I got the impression Ms. Fison, that some of the things that deterred people which you mentioned, for example, not enough housing, may have been interpreted as being good things.

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Baring-Gould
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1 I take it they have good
2 aspects to them in that they encourage people to move on
3 where there aren't jobs for them and where there isn't a
4 place for them in the community, but that in themselves,
5 in the way they are perceived as well, they aren't always
6 good things. Lack of housing can create social problems
7 as well as causing people to move on, is that correct, and
8 that did in fact, happen in Fairbanks I understand that it
9 created some social problems as well? You could attribute
10 some of the things that happened, perhaps, to difficulties
11 with living conditions, such as, family problems?

12 MS. FISON: Well, the
13 difficulty is that it's sort of speculation. What we were
14 speculating at, that if we hadn't had a housing shortage,
15 maybe we would have had a whole other set of problems
16 caused by the fact that more people would have come in and
17 stayed at least semi-permanently or at least until the end
18 of the project.

19 We really don't know the
20 effect. I mean, certainly the housing shortage was one of
21 the most serious problems we had in the community. Although
22 you can look at it and say well gee, if we had a lot of
23 housing, people would stay. Their main concern was that
24 people wanted housing. People who were hurt the most
25 though, were people either on fixed incomes or newcomers
26 to the community. People who had lived there for a long

1 time, often didn't experience a lot of the problems with
2 housing if they were established in the community.

3 Q So you don't put
4 this forward as advice that a community should plan to have
5 a shortage of housing to meet pipeline impact ?

6 A Well, I think
7 though, you do have to be careful that you don't set up a
8 situation where you're over-encouraging population expan-
9 sion and if you have lots of housing available at low cost
10 to encourage newcomers - it depends on what you want -
11 most of your impacts though are caused by a large influx
12 of people. You know, if everything else -- if you really
13 want a large influx of people, you could provide a lot of
14 housing, but I think we concluded sort of that you've got
15 to provide housing for the critical -- you know, the low
16 income families, senior citizens and that sort of thing.
17 But I think extraordinary measures to have a lot of housing
18 available just for people who are coming up, looking for
19 work, not necessarily, people with jobs, it's a problem.

20 We found that companies
21 though, often did company-provided housing and that's an
22 area which I would recommend that people look into. I
23 did a thing on mobile home living in Fairbanks and a
24 number of companies bought mobile homes for employees if
25 they were going to bring them in and provided housing.
26 That's a very effective tool for a company or something,

1 to provide it for people they're going to bring in and then
2 they're not caught in this looking for house and being
3 charged excess rents and being gouged and that sort of
4 thing.

1 Q All right, I take it
2 that also helps to keep the price of housing down if the
3 big companies are not picking up the houses that are al-
4 ready built and making it more difficult for other people
5 who may be changing houses in the community.

6 A Well, we experienced an
7 awful lot of housing installation. The value of houses in
8 some cases doubled in a very short period of time, or at
9 the least/cost of buying them.

10 Q And that was exisiting
11 housing, as well as the housing that was built during the
12 pipeline construction?

13 A Well, primarily the
14 existing housing. I know of people that bought houses,
15 let's say, in the early 70's for thirty, forty thousand
16 dollars were selling them for sixty or seventy thousand
17 dollars during the pipeline period.

18 Q And I take it there's
19 nothing much that can be done about that or do you have
20 any suggestions about what could be done?

21 A Well, it was respond-
22 ing to the demand and people could advertise in the paper
23 not even going through a realtor and their houses would
24 sell immediately there was such a shortage of houses for
25 sale and so people, that's a disadvantage, too, if you
26 bought during the pipeline period and bought a house at

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Cr-Ex by Joe

1 an inflated price, then after the boom you may have problems
2 getting rid of it.

3 Q So the housing shortage
4 has a double edge to it?

5 A Yes, it's very, it's a
6 very complex kind of thing and you can't just say that to
7 provide housing is always going to be good, I don't think.
8 There are other repercussions that we might not even -- we
9 just don't have the data. We've just speculated, you know what
10 would have happened if we'd had a lot of housing.

11 Q Those are all the ques-
12 tions I have, thank you very much.

13 MR. ROLAND: Mr. Joe, the Council
14 of Yukon Indians.

15 CROSS EXAMINATION BY MR. JOE

16 MR. JOE: I have a few general
17 questions, Mr. Chairman. I would like to direct them to
18 Mr. Jack Kruse, in relation to the preparation of native
19 people, if you have had the opportunity to observe such
20 preparation, either from their land claims settlement or
21 by other means to absorb the social and economic impact of
22 a large scale development such as the Alyeska pipeline.

23 MR. KRUSE: Are you referring to
24 preparation within communities or more in terms of the
25 training of native labour force to participate?

26 Q In both senses, if you can

1 comment on both those aspects.

2 A Concerning preparation
3 in the communities, I don't believe that there was very
4 much done by way of preparation, that is that the impact
5 funds that we were talking about yesterday only went to
6 communities that were directly along the pipeline corri-
7 dor involved, so there were a large number communities
8 that throughout the state/were contributing labour, for example,
9 which represented a real drain on community resources and
10 these communities didn't receive any, as far as I know,
11 receive any specific aid that would help them through the
12 period of perhaps a loss in leadership, a loss in the peo-
13 ple that were running the electric, the power plants and
14 that sort of thing.

15 As far as training goes, there
16 was a mixture, there were a number of institutional pro-
17 grams and the Alaska Federation of Natives was quite ac-
18 tive in encouraging people throughout the state, in the
19 villages, to participate in the pipeline employment oppor-
20 tunities and to channel them into various training pro-
21 grams if possible. I don't think anyone has done an
22 analysis of how successful those different training
23 programs were and it seems like, I think, most of the
24 native people that were employed on the pipeline did not
25 go through formal training in an institutional setting
26 but were more an apprentice type training, on the job.

To your knowledge,

1 did the Alaska Federation of Natives, did they obtain
2 funding from their land claims settlement to assist them
3 in this recruiting or did they get their funding primarily
4 from impact funding or did they get it from, let's say,
5 Alyeska?

6 A I'm not sure of
7 the answer to your question, except to say that I think
8 that they received a fair amount of support from the
9 regional corporations which then would have been from the
10 Settlement Act itself, that channeled through the
11 regional -- the support of the regional corporation..

12 Q Would it be fair
13 to say that without this assistance from the Land Claims
14 Settlement Act, that this large scale recruitment in
15 the rural native communities would not have happened?

16 A There were
17 several other organizaions that were also involved in
18 recruitment, but I think they were not in general, as
19 successful as A.F.N. was and perhaps that was in terms
20 -- just in terms of peoples' reactions to A.F.N. versus
21 an outside organization coming in and recruiting.

22 So it's possible that that's
23 true, that in fact having an existing native organization
24 with the resources, to go out and actively recruit, was
25 in fact, a better alternative than say a state agency
26 going out and recruiting.

1 Q On the level of
2 perception and attitudes, I wonder if you can comment as
3 to whether or not the native people in the rural communi-
4 ties had a change of perception envalued towards their
5 more traditional economies after the construction of the
6 Alyeska oil pipeline?

7 A That's a tough
8 one. I really don't have a lot of hard data to answer
9 that question and I don't want to go too far in just
10 giving my own perceptions of it because I think it's a
11 very important issue. There are lots of sides to it.

12 One of the most complex
13 parts of the answer to that question I think involves
14 the meaning and use of subsistence resources. There is
15 a great deal of controversy over trying to define sub-
16 sistence in terms of providing food versus its cultural
17 and psychological benefits the things that some people
18 call recreational values, other people call it cultural
19 values. The pipeline seems to have had an effect in
20 terms of the patterns of use of subsistence, but it's
21 not necessarily a direct trade-off or conflict.

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1 CROSS-EXAMINATION BY MS MACPHERSON

2 MS MACPHERSON: Yes, I have
3 several questions.

4 I think from time to time all
5 of you have mentioned the hardships that fixed income peo-
6 ple had with housing and you suggested various ways of
7 alleviating that. I wonder if you have any other sugges-
8 tions of minimizing impacts on populations most vulner-
9 able, the elderly, fixed income people, children. I'm
10 thinking of things like, perhaps, subsidies, were subsid-
11 ies considered or any other sorts of --

12 MS S. FISON: Well, I think one
13 of the critical problems that we had during the pipeline
14 period was day care and it's very common -- I think, more
15 common during the period, too, for both parents to work
16 and, given the costs of living, I'm sure in many cases,
17 it was a necessity. We got into a problem in the school
18 system. It was kind of a shell game, they double-shifted
19 the schools because there was such a crush that they had
20 to justify the crush because they were building three new
21 schools, so they double-shifted some of the existing
22 schools. Well, you've got two parents working and you
23 double shift an elementary school, they've got half of a
24 day that children have to be in day care and we had a
25 shortage of day care facilities in the community. I think
26 at one time, at one of the day care centres which had a

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1 capacity for eighty or ninety children, had a waiting list
2 of a hundred and twenty, something like that. So, there
3 was a problem of even finding anyone who could provide
4 day care services in the community.

5 And then there is a problem with
6 you had to -- it was very expensive and there was a sub-
7 sidy program funded by the state for day care assistance,
8 which proved to be fairly helpful. I don't know if you
9 have those programs in Canada, but what it does is it
10 allows -- it's primarily single parents and it allows them
11 to work rather than be on the welfare rolls, but does
12 provide money for day care. The problem, though, was that
13 the State program had sort of a ceiling on the amount
14 that they would pay and, given the inflationary spiral
15 with jobs, it was difficult to find people to work in day
16 care centres for the kind of wages that were, you know,
17 feasible.

18 Q Was this a subsidy
19 just during pipeline construction?

20 A It's continuing now,
21 but it's, the program came in -- I don't it was just the
22 result of a pipeline. It's a state-wide program, but
23 day care became a very critical need in the community and
24 it was a problem not only for new people coming in, but
25 for existing people.

26 Q Would such subsidies

1 be geared to accommodate the inflatory rates during pipeline
2 construction or would be be a set rate?
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1 every single month, all over again. So we found that for
2 the lowest income households in the region, they were less
3 likely to have food stamps. Those most in need were less
4 likely to have food stamps than people with say incomes of
5 over fifteen thousand a year.

6 Q I take it there is
7 a lesson to learned there somewhere and I'm wondering if
8 in terms of delivering services to that particular area,
9 has any thought been given to the restructuring of such a
10 service?

11 MS. FISON: There is currently
12 a lawsuit going on as far as food stamp services go and
13 it's primarily to do with the lack of Outreach. For
14 example, when I was putting together my data on food
15 stamps, I got the state-wide summaries of all the communi-
16 ties and I couldn't help but noticing that there were no
17 food stamp recipients in Barrow. It's a very large
18 community and I thought it was rather strange and I found
19 out that well, they couldn't keep some sort of a worker
20 there so they just sort of, you know, since they couldn't
21 keep someone there, they really weren't doing any Outreach
22 at all to Barrow. They've subsequently, after a year or a
23 year and a half, put a person there and suddenly had a lot
24 of people in need of food stamps in Barrow.

25 But there is a lawsuit at the
26 present time, which I think is going to go to trial this

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fall and it is concerning the lack of interest in the villages for food stamps primarily, but it's been a problem in other programs as well.

It seems to me, one of the most critical problems in the villages and it may relate to participation in programs as well, is the pipeline which tends to syphon off the leadership from a lot of the communities. There are a couple things going on - you have the regional corporations which syphons off the -- you know, if you've got some really good leaders in the villages, often they are attracted to the urban areas where the corporations are headquartered. Then the pipeline comes along and syphons off whatever skilled people there are in the community and a lot of the leadership, so that I think was probably one of the biggest problems.

They found that a lot of community projects suffered during the pipeline period. There are a lot of programs with the State Community and Regional Affairs to build community centres or to build health centres or things and they provide materials and then labour money, but the labour money is at a fairly low hourly rate. Well, prior to the pipeline, it wasn't much of a problem to find people, then after people's experiences working on the pipeline at such high wages, they wouldn't attract people to work on these community projects.

I know in a number of communities

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1 materials just sat there, literally rotting because people
2 weren't you know, willing to expend the effort. I think
3 that was a problem.

4 MR. KRUSE: I think that the
5 key recommendation that could be made is that in terms of
6 impact planning, that you don't just concern yourself with
7 communities that are along the corridor, but you concern
8 yourself with all communities that you expect to contribute
9 labour.

10 Our experience has been that
11 that's most communities in the State or most communities
12 in the region, providing you have an active recruitment
13 program.

14 Q One other area I
15 wanted to check out with you is that when I was reviewing
16 the material on Alaska, I noted that the State of Alaska
17 does not offer assistance to single employable individuals.
18 Can any of you comment on that? That's the category that
19 they term as single employable.

20 A That doesn't come
21 under general assistance?

22 Q It does, but they
23 say that they don't offer assistance to that category.
24 You can be single and categorized as unemployable.

25 MS. FISON: Well, at least
26 during the -- I think it's our social service system is

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1 just a little -- is different. I don't really know how to
2 explain it, but I do know that during the pipeline period,
3 as far as employment opportunities went, if you really
4 wanted to work, it was very easy to get a job. Maybe you
5 weren't getting the wages that you wanted, but there were
6 tremendous job opportunities available, whether it was in
7 a bank or a store or restaurant or whatever - you could
8 practically walk in off the street and get jobs. There
9 were always help-wanted signs.

10 Of course, the turnover in a
11 lot of these places was two or three hundred per cent, but
12 you could get employment. I think the attitude in Alaska
13 maybe particularly, is pretty anti -- we find a lot of
14 resistance to the whole welfare programs. At least in the
15 communities, there is a pretty strong resistance to social
16 workers --

17 MR. KRUSE: There is a real
18 concern too about making the social service system
19 attractive enough to pull people in from outside the
20 region or the state.

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1 it is very, very expensive for the State to provide those
2 services given the high cost of living and so forth. So
3 there is a real feeling that the system should be geared
4 to be less attractive than the nearest neighbouring system
5 and that's not so good for the people that are stuck here,
6 that is in Fairbanks or in Alaska. But there is some
7 logic to that I think.

8 MS.FISON: I don't know if
9 they provided it for single persons, but I do know that
10 the State did have some programs for giving money to people
11 to leave the State and the justification was that it cost
12 less to get rid of them and it did to sustain them. I
13 don't know if any single people were included in that,
14 but I know that they did supply some people -- I don't
15 know if that was just families, there may have been some
16 single persons included in there.

17 Q Yes, the reason
18 I ask is that our particular legislation is different
19 and that we do offer assistance to that category, just
20 in terms of future comparison, I was wondering.

21 A I don't know what
22 your regulations are, if you have a Food Stamp program
23 or things like that, but our Food Stamp program, in fact,
24 most of our welfare programs require that people register
25 for work. For example, this business of registering once
26 a month for a food stamp, you don't have to register

1 every single month in all cases. If you have a "stable"
2 situation, they consider an unstable situation if there is
3 anyone in the household who is employable. So if you
4 have that unstable situation, then you have to register
5 for work every month. I think the only exceptions to
6 employable persons are disabled persons, senior citizens
7 or mothers with young children. But in Alaska, I don't
8 know if it's in the U.S. generally, but you have to be
9 registered for work. In fact, if you have an eighteen
10 year old in your household, that eighteen year old has to
11 be registered -- not registered, but registered for
12 employment at the employment office, and if a job is
13 provided, they have to take it.

14 Q Thank you very
15 much.

16 MS. MACPHERSON: I have no
17 further questions.

18 MR. ROLAND: Mr. Horton for
19 the Yukon Territorial Government?

20 MR. HORTON: I think I have
21 only one question.

22 CROSS-EXAMINATION BY MR. HORTON:

23 MR. HORTON: I'm just
24 wondering whether there was any substantial out-migration,
25 if you want to call it that, of low income, long term
26 residents of Alaska who moved out because that turned out

1 to be the solution to the problems they were having in
2 Alaska? Is there any documentation of that sort of outflow
3 of population?

4 MR. BARING-GOULD: Not really,
5 in Valdez during the first year when we interviewed people
6 before the pipeline and then gone back to interview them
7 the second time, there was an out-migration of seventeen
8 per cent during the first year of people from the community.

9 I think very few of those
10 people were low income or elderly though. They were mostly
11 family people, there were mostly people who had moved
12 to Valdez or lived in Valdez for reasons of the importance
13 of a small town and dislike of the pipeline and what was
14 happening in the community.

15 But it was not a sort of a
16 need thing, or an economic reason which drove them out,
17 it was more distaste of what was happening to the
18 community. That was sixteen per cent in the first year
19 left the town.

20 Q Now were they
21 leaving the State or just leaving that community for
22 a different community within the State?

23 A About a third
24 of them left the State and about two-thirds moved
25 elsewhere in the States.

26 MR. KRUSE: The only data we

1 have for Fairbanks would indicate that there was perhaps
2 a slight increase in the number of people who were about
3 to retire who moved out of the community perhaps accelerated
4 their retirement plans, given the rise in cost of living.

5 It was a great opportunity
6 to sell your old house downtown and move out. But there
7 was some dissatisfaction of course with the being pushed
8 out, or feeling of being pushed out. We had, I think of
9 the people who had immediate plans to move in our household
10 interviews, nine per cent were moving because if
11 dissatisfaction with change in Fairbanks. I don't know
12 what percentage of those people were long term residents,
13 but I would suspect that they were disproportionately long
14 term residents as opposed to recent.

15 MR. BARING-GOULD: In the
16 case of Valdez, I'm not sure that we had enough people
17 really to identify this very clearly, but it seemed as a
18 real cost to the community in that there was a
19 concentration of among people who left, of people who
20 were very socially active in the community. Several of
21 the Ministers left. Several people who -- persons or
22 Director of local social services, several people who
23 were youth directors, people who's interest appeared to
24 be in working with new groups in the community, focusing
25 on sort of social activities, organization of people
26 within the community; these were the ones which I think

1 needed to get sort the most burned out by what was happening
2 in the community received, I guess, very little support
3 for the work they were doing within the community and
4 then became discouraged the situation in Valdez and
5 decided to leave for other places.

1 Q Was the same sort of
2 phenomena happening in other communities, that you've
3 sort of been answering primarily with reference to Valdez?
4 Was that simply a locally unique phenomena or was it more
5 wide spread, or do you know?

6 A Logically it would
7 appear that it, that that could be happening in other
8 communities, but I don't know. Peoples activities in the
9 really impacted communities, I think, became, there was
10 a definite increase in sort of work orientation and money
11 orientation and people who have ideals that are sort of
12 different from that might be more likely to leave than
13 others.

14 Q I have no further
15 questions.

16 MR. ROLAND: Mr. Hudson, for
17 Foothills PipeLines.

18 CROSS EXAMINATION BY MR. HUDSON:

19 MR. HUDSON: I'll just direct
20 my questions to the whole panel and just jump in when you
21 feel when it's in your scope of interest to.

22 On page four of Ms
23 Fison's presentation, and in particular the growth in
24 the involvement in the construction industry, I was won-
25 dering, could you tell me, those people that were inter-
26 viewed, are they people whose place of work was in

1 Fairbanks or are they people who lived in Fairbanks, but
2 whose place of work might be elsewhere?

3 MS FISON: Yes, I think you're
4 referring to Jack.

5 Q Okay.

6 MR. KRUSE: In terms of her
7 figure, this would be all persons involving construction
8 in that labour area, which was --

9 MS FISON: Fairbanks.

10 MR. KRUSE: Which was Fairbanks.
11 In terms of the people we interviewed, some of the people
12 were based in Fairbanks, but were driving, say, the haul
13 Road or home for their R and R, and, in fact, had con-
14 struction employment outside Fairbanks.

15 Q But those don't find
16 their way into figures in the graph. The ones in the
17 graph worked in the Fairbanks area?

18 A That's right.

19 Q I see. And I under-
20 stand there was ninety miles pipeline within the borough
21 and a compressor station. What other construction acti-
22 vities were centered right in Fairbanks?

23 MS FISON: A really colossal
24 amount of construction activity. We had - wait, I've got
25 sort of a little summary here. We're putting together a
26 final impact report, a sort of a listing. A couple of

1 we had, innumerable warehousing that sort of tended to be
2 most of the industrial type things were warehouses. We
3 had three major shopping malls in the community -- in fact
4 all of those opening within the last two months and they
5 contain, collectively, around fifty businesses and an
6 awful lot of observers in Fairbanks are concerned that
7 we overbuilt in a few areas and perhaps shopping malls is
8 one of them.

9 There was also a lot of govern-
10 ment construction going on. We have a brand new federal
11 building, a new state building, lots of new highways and
12 a lot of things going on. The difficulty with that was
13 they were caught in an inflationary spiral of construc-
14 tion costs because they're competing with the pipeline.

15 Q The government con-
16 struction, was that programmed before the pipeline start-
17 ed? That exacerbated the situation did it, in the Fair-
18 banks area.

19 The hiring halls were in Fair-
20 banks, I take it, and that's where you had to go to get
21 a job, is that right? Whether you were from Alaska or
22 elsewhere?

23 A Right.

24 Q And there was a --

25 A Except if you were a
26 pipeline welder from 798 in Tulsa.

1 Q Yes, the highly skilled
2 were hired in places like Oklahoma and things like that?

3 A Well, the pipeline
4 welders.

5 Q But everyone else had
6 to go to one of those hiring halls to get a job?

7 A Well, Anchorage had
8 hiring halls.

9 Q Can you give us an
10 idea of the relative activity between the Anchorage hir-
11 ing hall and the Fairbanks hiring hall?

12 MR. KRUSE: It was heavier in
13 Fairbanks. There was also some exceptions where, in
14 some cases, rural people, the native people from the vil-
15 lages, did not have to go to the hall, actually, to be
16 hired, they were taken.

17 MS FISON: But they did have to
18 come into Fairbanks.

19 MR. KRUSE: They did, but they
20 didn't have to go to a call.

21 MS FISON: They didn't have to
22 go to a call, but that was, I think, a very big
23 problem, was for example, I don't know if it was Joanne or Ken,
24 our Chief, would fly out to the villages and bring in a
25 plane load of people to go work on the pipeline. Well,
26 they had to bring them into Fairbanks, they couldn't

1 hire them out of the villages and take them out. So people
2 often had to spend a couple of days in Fairbanks, waiting to
3 go out on the pipeline. Well, when you've got a critical
4 housing problem, when you've got a lot of increase in crime
5 in a community or a lot of bars and a big concentration of
6 problems right in the downtown area and you dump off a plane
7 load of people in the downtown area, it causes problems.

8 Additionally, when they came off
9 the line , instead of being taken back to their village,
10 they were dumped off in Fairbanks. So, that was a problem
11 with the pipeline agreement and that was in the original
12 agreement. It said that they had to hire, you know, trans-
13 port the workers back and forth from where, the point of hire.
14 So, I think that would, in the villages at least, that seemed to be a
15 big complaint was that people couldn't go right from the village
16 to the pipeline and back, but going through --

17 Q Even though it was vir-
18 tually next door? In some cases?

19 A Right.

20 Q It's in your paper, that
21 the primary staging area and the supply areas were in Fair-
22 banks and that applies to the whole line, does it, the
23 supply centre and the staging area? Or at least north of
24 Fairbanks?

25 A Yes, it was a mid-point
26 in the pipeline route, so it was just sort of natural.

1 There's also a railroad terminus there and a number of high-
2 ways feed in and an international airport, so it really had a lot
3 of the facilities.

4 Q Would it have been amelio-
5 rating in respect to impacts, if those things had been de-
6 centralized?

7 MR. KRUSE: I don't think, I would
8 think that that wouldn't be economically feasible. It seems
9 like there were a lot of economies of scale derived from
10 having all the warehousing together with the repair facilities
11 and maintenance facilities at the same place, essentially,
12 as supply facilities.

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1 Q The economies were
2 scaled to the project?

3 A Yes.

4 Q You'd say that
5 logistically, it was convenient? If it was convenient to
6 de-centralize the staging areas and the supply centres,
7 so that they were not all in Fairbanks, can you say whether
8 or not that would have ameliorated the impact?

9 MS. FISON: No, I think it
10 would be worse. The other thing is that after the pipeline,
11 I think we are in a better position as far as transportation
12 services and this whole economy of scale thing.

13 Q I see, the spin-
14 off benefits that you have now, --

15 A Well, the improve-
16 ment in transportation sector for example, the Alaska
17 Railroad may have an expansion. Alaska Railroad for
18 example, has lost money for years and years and years and
19 for the first time during the pipeline period, they made
20 almost six million dollars in '75 and around four million
21 dollars in '76.

22 Well, they had previous to that,
23 they had to have special exemptions from the U.S. Govern-
24 ment to use a lot of their equipment. I think their cars
25 were over fifty years old or something like that. Well,
26 they were able to upgrade, so there was quite an improve-

1 ment in some of the transportation things, which after the
2 pipeline, has an effect I think on your trade.

3 Q And this is generally
4 viewed to the benefit to the State is it?

5 A To the Fairbanks
6 economy.

7 Q Yes.

8 MR. KRUSE: I think it would
9 be very undesirable to, for example, spread out supply
10 facilities along the Alcan Highway portion of the -- be-
11 tween you know, around Delta and Tok and so forth,
12 expand supply centres there during the pipeline phase,
13 because they had a number of problems and including a
14 shortage of local manpower so you would have had to import
15 people to work at these places.

16 The second, there was a lot of
17 dissatisfaction with the amount of truck traffic already
18 and if you increase that, that would exacerbate the
19 problems and they were losing tourists because the tourists
20 didn't like to stay in places where trucks were going by
21 at all hours of the morning and so forth and so on.

22 So there is really a lot of
23 conflicts I think that's going to decentralize those
24 types of supply facilities to rural areas. Fairbanks
25 itself, really wasn't - except for the pipeline - it
26 didn't have a large enough resource base to really be

1 self-sufficient in any way.

2 It was only by having all these
3 facilities put there, that you began to get a critical
4 mass to be able to use air freight and railroad and truck
5 transport effectively and that that has some spin-off
6 benefits for those people who would like to see
7 development in Fairbanks.

8 Q Thank you. In
9 connection with the hiring halls, if there had been a
10 provision whereby non-Alaskan residents were hired only
11 outside of the State and the hiring halls in the State
12 were only used to hire Alaskans, as given a proper
13 definition, would you expect that that would have reduced
14 the impacts that would result from in-migration?

15 MS. FISON: Part of the problem
16 was, everyone wanted to become an Alaska resident, you
17 know, and as long as you have that preference in there,
18 that you'd still obviously in that system, you'd probably
19 still give preference to Alaska residents. There is still
20 going to be an incentive to try to become one.

21 Q For the sake of
22 this question, if you could presume the success in a
23 large way of a definition of an Alaskan, presume that that
24 would work and that the hiring halls for the outside --

25 MR. KRUSE: I think that
26 the majority of people who came in from outside, in terms

1 of the total labour force on the pipeline, were coming
2 to specific jobs and I don't know how much a hiring hall
3 outside will help that situation, plus I would be concerned
4 that if you had two separate hiring halls, that you'd get
5 into a political fight where the outside hiring halls
6 would be those hiring the most -- the best jobs would go
7 through those hiring halls. Perhaps there might be that
8 possibility and you'd have problems with locals I would
9 assume.

10 Q You say most of the
11 in-migrants or the people coming in from outside, came
12 with jobs. I don't want to misquote you.

13 A Yes. I think that
14 that's in general, true.

15 Q Do you know, do
16 you have any figures on those that came without jobs and
17 didn't get jobs?

18 A I mentioned that
19 yesterday. I'm not sure, I can find it. There was a
20 small percentage who came to Fairbanks and mentioned that
21 there was only two per cent of our respondents who said
22 that they came to Fairbanks and couldn't get and had a
23 serious problem getting a job.

24 MS. FISON: It wasn't just
25 pipeline work. A lot of people found that because of
26 the Alaska hire requirements, it was going to be very

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1 difficult to get on the pipeline, but they also found they
2 could get jobs elsewhere in the community, depending on
3 what kind of skills they had.
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1 Q Thank you. Dealing
2 with the inflation, in particular with the purchasing
3 policies of the company, are you aware whether there was
4 any tailoring of the purchasing policy to match the
5 capacity of the local business infrastructure to natives.

6 A No they swamped it.

7 Q Did they give that
8 any thought at all to balance the --

9 MR. KRUSE: I gather there
10 was a great deal of thought and I'm not quite sure quite
11 what the logic was. But there was a great amount of local
12 purchasing.

13 Q This was requested
14 and urged by the local business community was it.

15 A Yes, but I think
16 that in the long run that may not have been wise, because
17 local businesses were more than happy to oblige, but
18 they were also more than happy to expand in order to be
19 able to oblige and so we're left with perhaps an over-
20 expansion of some of these supply facilities and they
21 are going to be hurt by a severe down turn.

22 The other problem is then
23 what do you do with all these materials when it's over.
24 Do you dump them in the community or do you transport
25 them out again? The consumer has a different viewpoint
26 than the business.

Q This is the non--

MS. FISON: Well, like trucks, for example, I think there was a fleet of seven hundred pick-ups in Fairbanks and they bought a good deal more than that I think out of Fairbanks. There was one auto dealer in town who managed to sell most of these deluxe four wheel drives pick-up trucks. Well at the end of the pipeline if you auction all those off in a little community at a low price, that's going to have a pretty serious effect on that business, but then again, that person got, you know the big -- so they wanted to be able to sell them, the new trucks, but then there was a real resistance to the company dumping these on the local market and hurting their business later on.

MR. KRUSE: As a general recommendation I think that it's important that to the extent possible, the pipeline companies come forth with projected supply -- local supply demands over the total period of construction to show when they don't -- when they expected a down turn in purchases so that companies can plan. I'm not sure.

MS. FISON: Yes, I agree.

Q Now getting back to my question then, was that or was it not done in the case of Alyeska and the local business infrastructure? Did they do any planning?

1 MR. KRUSE: In general it
2 was done. They tried to emphasize local purchases.

3 MS. FISON: I don't think
4 that was planning.

5 Q The last thing was
6 was there an attempt to strike a balance so that they
7 got sufficient business, but didn't overload the infra-
8 structure?

9 MS. FISON: I don't think so.

10 MR. KRUSE: Oh, I think
11 perhaps local businesses were just a little over-enthusiastic
12 at times.

13 Q I see. Okay.

14 MR. BARING-GOULD: I think
15 very little information was given to local businesses as
16 to what the purchases were going to be made and when
17 these would begin to sort of tailor off.

18 Q The minimum amount
19 of lead time on these purchases then, is that correct?

20 MS. FISON: There was lots
21 of local shortages of things. I know my neighbour builds
22 houses, for example, and he's been dealing with this one
23 lumber company for years and years and he was building
24 a house and went down and said you know, I want fifteen
25 sheets of three-quarter inch plywood, blah, blah, blah;
26 the guy says we don't have any plywood. What do you mean

1 you don't have any plywood? Well, we're all sold out but
2 we're getting some in next week. He just says well you
3 know, I'll get it next -- no we've already sold it all sir
4 to the pipeline project.

5 So there was a real problem
6 I think. It wasn't just that. There were other examples too
7 of the projects, particularly in things like parts for
8 vehicles and some types of construction materials and
9 things that there were shortages locally in the community
10 which is an indicator of not very good planning. But
11 generally in Fairbanks, I think the average person
12 perceives that at the present time, or for '77 we're going
13 to experience a levelling, let's say gross sales in
14 various types of businesses and things. And at '76 was
15 the peak. Well I've put together some data on gross
16 sales for different types of businesses and we found
17 except for food stores and restaurants, all types of
18 businesses experienced the peak of activity in 1975
19 which corresponded with the end of pipeline purchases or
20 major pipeline purchases within the community. There has
21 been a significant down turn for 1976 in the purchase of
22 all kinds of automobiles, building supplies and department
23 stores, you know, business services and equipment -- I'm
24 trying to think of what other categories we have. I don't
25 think generally it's perceived that way.

26 I talked to Alyeska and it's

1 just coincides with the end of their purchases locally, yet
2 all the construction, which is going on the community, we
3 have more than doubled our retail floor space in 1977.
4 So there's a real lag. I think people made their plans
5 and went to the bank for their financing with their sales
6 figures for 1975 but it looked to them like things were
7 going up and that's our concern now.

8 MR. KRUSE: The whole issue
9 of economic uncertainty just became extremely important,
10 particularly now where financing institutions, particularly
11 those in the lower forty-eight which would normally back
12 a great deal of the construction of the community are now
13 saying you can't use the standard formulaes, you have
14 to prove to us that there is going to be continued
15 growth in the community.

16 Now businesses are, you know,
17 those that want to expand or remodel based on these
18 revenues that they have received over the pipeline period
19 are having a great deal of difficulty.

20 Q And perhaps they
21 are wrong in one respect.

22 A In time they spent.

23 Q There were some
24 areas, the infrastructure or the capacities that were
25 insufficient before the pipeline started, is that correct.
26 We have report or evidence here that perception by the

1 residents of Fairbanks with the quality of policing wasn't
2 very good before the pipeline started. Have you any
3 comment on that?

4 MS. FISON: The City police
5 force, I believe in 1975, let's see, or the start of the
6 pipeline period, let's see my statistics, I think something
7 like in 1960 there were nineteen patrol persons in Fairbanks.
8 In 1973 I think there were twenty-one or twenty-two, so
9 very little change. Although the community had tripled
10 in size since 1960 they had never really kept up in terms
11 of police. But there's a real problem, the City Council
12 of Fairbanks was very conservatively oriented and there
13 was a concern about keeping costs down and not increasing
14 the size of Government. That's a very big issue in
15 Fairbanks right now. The Borough and the City Governments
16 are very unpopular. The thing that is really an anathema
17 is increasing the number of employees. So they wanted
18 the police to be better, but they really didn't want to
19 add a lot of people.

20 They did try within tax
21 funding and then they couldn't fill the positions. There
22 weren't adequate -- there was inadequate manpower for --

23 Q I believe you
24 say in your paper that the business community, the
25 infrastructure was lacking before the pipeline commenced.
26 They were being stretched to capacity before that time.

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1 ...prior to the pipeline, we
2 had around forty doctors in town. AT the present time, we
3 have about eighty and people think well gee, that's an
4 awful lot of doctors, but prior to the pipeline, a good
5 deal of the medical care was handled outside the community.
6 If you had something serious or surgery, you typically
7 went to Seattle.

8 Now, we have increasing
9 sophistication, more specialists and lot of this was as a
10 result of the pipeline. They had a pretty big medical
11 program and one of the clinics that was particularly
12 enriched, did all the Alyeska physicals. I forget what
13 they got for each physical, but the doctors moonlighted
14 and it was a colossal amount of money, but the did expand
15 the medical facilities.

16 Q Those medical
17 facilities were compulsory before proceeding onto the
18 work?

19 A They were what?

20 Q They were compulsory
21 before going to the jobsite?

22 A Yes.

23 Q And they were
24 mostly done in Fairbanks?

25 A All the physicals
26 for the northern part were done in Fairbanks.

1 Q So that that was
2 another cause of the influx of all these people into
3 Fairbanks?

4 A They didn't add
5 new doctors just to do physicals.

6 Q I'm not talking
7 about the doctors, I'm talking about the work force.
8 It was necessary for them, going north to Fairbanks, to
9 come to Fairbanks to -- did that in itself create a
10 problem as far as you are aware, as far as the influx of
11 those people for that purpose?

12 A Well, they had
13 to come in there for hiring anyway.

14 Q They had to come
15 for hiring anyhow. So it's the same problem. You
16 mentioned there is an unemployment rate of twenty per
17 cent now. I was wondering if it was possible that the
18 persons who go to make up that rate, may be people who
19 entered the work force for the peak of the pipeline
20 construction, but now do not intend to return to the work
21 force?

22 I'm thinking of wives and
23 people close to retirement.

24 MR. KRUSE: That by definition,
25 they have to be actively seeking work though.

26 Q They have to be

1 actively seeking.

2 A They have to be
3 drawing unemployment.

4 MS. FISON: It's interesting,
5 if you have a union job in particular unions, the only
6 thing you have to do in terms of looking for work is
7 report in to the union hall -- report for a call at the
8 union hall once a week. If they don't have a job for you,
9 that's sufficient to say that you've looked for work and
10 you're available for work and it isn't available for you.

11 That isn't true of people who
12 aren't in unions, so if you aren't in unions, you have to
13 be going into the job service and they can call you and
14 you have to accept jobs in certain types, certain salary
15 range and types of employment. This does change though,
16 after a specific period of time. I forget how many weeks
17 it is, but an awful lot of people -- I think the majority
18 of the people that are on unemployment in Fairbanks right
19 now, are people who did work on the pipeline.

20 There is a concern. Let's
21 say if we'd come in with a big public works program right
22 after the pipeline and provided a lot of jobs for these
23 people, that that might have been detrimental; the high
24 unemployment rate eventually will reduce the size of the
25 labour force because people will leave once their benefits
26 run out if they can't find work. Whereas if you provide

1 jobs right at that point for these outside people, a lot
2 of them are people who kind of hang around, seeing what's
3 happening with the gas line, that you're liable to
4 encourage them to stay.

5 Q Thank you. The
6 double shifting that was in the school, that was going on
7 before the pipeline construction commenced was it? That
8 was concurrent with it and yet the --

9 A That was to justify
10 the new schools.

11 MR. CHAIRMAN: I think the
12 transcript should show something to record the nodding
13 of heads and the shaking of heads. Would you mind
14 putting those questions again?

15 Q As to the double
16 shifting in the schools, when did that occur?

17 MR. BARING-GOULD: In Valdez,
18 it occurred in the first year of construction.

19 MS. FISON: Yes, '74 I
20 believe.

21 MR. BARING-GOULD: '74. Fall
22 of '74.

23 Q In Fairbanks?

24 MS. FISON: One year or two
25 years? I think it was two years. Two years, yes. It
26 began Fall '74 and continued -- I'm really a little hazy.

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1 If it was one year or two years. I think it was two years,
2 but in Fairbanks, we have a lot of evidence to suggest
3 that it really wasn't necessary. They predicated the
4 double shifting on the big influx of students that they
5 were going to have and the enrollments did not meet their
6 projections that they stayed with the double shift. As
7 long as people were unhappy with the double shift, people
8 were very encouraging about the fact that they were
9 building more schools to accommodate the demand.

10 In Valdez it was necessary,
11 wasn't it?

12 MR. BARING-GOULD: Yes, Valdez
13 is a considerably increasing school -- . That
14 was because there was a large number of Alyeska and
15 administer to families came in to the community, so the
16 school population more than doubled. That's certainly
17 not true in Fairbanks.

18 Q In Fairbanks,
19 it was considerably below expectations. I believe you
20 said that -- the cost of housing was a major part of
21 the inflationary experience. Is there any way of
22 determining what proportion of the inflation that was
23 experienced, is attributable to housing, and in particu-
24 lar, if not for the housing portion, is it possible that
25 the rate of inflation would be on a close par with that
26 which was experienced in the south forty-eight -- lower

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1 forty-eight? Is there any way you can add to that?

2 MR. KRUSE: The changes in
3 cost of living were not altogether rational. It didn't
4 simply reflect increases in transportation costs. I
5 think there is some indication that businesses were
6 attempting to increase their return. It just depended
7 upon individuals and individual businesses, how much they
8 chose to perhaps inflate their prices for no substantive
9 reasons.

10 Q Just one other
11 matter. I have been provided a report on the Copper
12 River Valley report -- a report by Thea Smeltzer. That
13 indicates that in Copper River Valley, prices went down
14 and availability of quality went up. I believe this is
15 in October -- written in October 1975.

16 Can you comment on that as to
17 whether that was so in your opinion, view, and whether
18 that in rural areas was --

19 A That perhaps has
20 some unique characteristics in that situation. Glenellen
21 is a highway community that had a fairly rudimentary
22 retail shopping facilities and they had fairly difficult
23 transportation problems. What Thea Smeltzer found was
24 that with the growth in income and purchasing power in
25 the local community and with increased population, that
26 all of a sudden they could afford to hire -- for example,

1 this particular storekeeper bought his own truck and in-
2 creased the floor space in his store and brought in new
3 lines of goods.

4 Q Then he passed those
5 savings on to his customers?

6 A And he passed the
7 savings on to his customers.

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1 he was
2 He was local, well, /from Anchorage, but he quickly seemed to
3 identify with the community.

4 MR. BARING-GOULD: There was
5 an incredible shortage of food in Valdez and people were
6 driving for close to one hundred miles from Valdez to the
7 stores which he mentions to make their purchases. They
8 had a great increase in demand.

9 Q You mention that
10 there was mention of the increase in real incomes. Are
11 you able to say that was dealt with in the Fairbanks area,
12 are you able to say what happened to real income throughout
13 the State?

14 MR. KRUSE: I didn't bring
15 those figures with me, but I believe per capita income
16 rose substantially in the State as a whole. Not to the
17 extent that occurred in Fairbanks.

18 Q I see, but it
19 did rise?

20 A I did rise.

21 MS. FISON: In real terms.

22 MR. KRUSE: In real terms,
23 yes.

24 Q Miss Fison, you
25 are nodding your head up and down.

26 MR. KRUSE: Maybe I should
27 mention to balance that out a little bit that despite the

fact that people in general got -- received a real income increase, their perceptions of the changing economic situation was such that the rising cost of living was more important to them, even though they got a real increase.

Q I see. And to what effect -- ?

A In other words, they perceived themselves to have a net economic loss in as many cases as a net economic gain, despite the fact that they may have received a real income. The sheer trauma of going to the store and paying so much money despite the fact you had more in your pocket there was a lag I think.

MR. BARING-GOULD: One of the other small things that we found in Valdez was that the increases in income were much greater for the resident population than the immigrant population.

MR. KRUSE: We had an indication of where the -- the newer people coming into the community since more of them were working on the pipeline than the resident population, the trend and increase in income for them between '73 and '76 was just dramatic. They had median increase in income between '73 and '75 of one hundred and twenty per cent.

We figured that out, for only those people who had all of their '73 income in

1 Fairbanks.

2 MS. FISON: I think though
3 that may have been somewhat offset by the fact that the --
4 didn't the newer people have higher housing costs than
5 the long term residents?

6 MR. KRUSE: Yes, in general
7 their cost of living was higher.

8 Q It's been said
9 here -- we're running a bit out of time -- it's been said
10 here that the settlement of the native land claims in
11 Alaska was seemed to be the greatest stimulus to the
12 Alaskan economy, even greater -- including I should say,
13 the pipeline. Would you say that was so?

14 A They had done
15 some work on that, at least over the short term. I don't
16 think that's true. The actual cash settlements that
17 people have received has been very small and it's more a
18 question of what the corporations do with their assets,
19 the resource assets: how much training, how much they
20 involve their stockholders in actual labour project --
21 employment projects, and how much training is provided.
22 So it's a long -- over the long term it looks like it
23 could provide much more benefit than the pipeline itself
24 but over the short term, I don't think so.

25 Q Is there any way
26 to separate impacts in Alaska as which resulted from the

1 land claim -- the claim settlement which resulted from the
2 pipeline?

3 A No.

4 Q Is it a statistical
5 problem do you think?

6 A Well, I don't
7 think that there is even a -- there aren't two sets of
8 data, even I mean the land claims was very much intertwined
9 with the pipeline project.

10 MR. BARING-GOULD: In Valdez
11 for example the payments to natives since the land claims
12 settlement to natives living in Valdez is that between
13 '74 and '76 amounted to just two thousand dollars. The
14 real benefits to natives in the communities came from
15 contracts which -- to get the natives where it would sign
16 with Alyeska and sort of sub-contracting, working in the
17 Valdez area and on the terminal.

18 Q Now, Mr. Baring-
19 Gould, you said in your conclusions that the presence of
20 the camps at Valdez, the housing of the construction workers
21 there had a very beneficial effect on relieving the
22 pressure on the business infrastructure in Valdez. Do
23 you agree that that's what you said?

24 A I'm
25 not sure -- you're relieving pressure on the -- I think
26 it was very beneficial to the community that the majority

1 of workers, or the vast majority of workers in Valdez were
2 located in construction camps apart from the town. The
3 impact on the town would have been absolutely overwhelming
4 if all of those people had to be housed within the
5 community.

6 Q Yes, your
7 conclusion was that it greatly reduced the strain on most
8 Valdez institutions and services I asked you
9 to enlarge on that and I think you have.

10 MR. HUDSON: Thank you, Mr.
11 Chairman.

12 CROSS-EXAMINATION BY MR. ROLAND:

13 MR. ROLAND: First of all,
14 could you tell us, Mr. Kruse or the other panelists, the
15 attitude of Alaskans to the gas line? Has the oil line
16 left a legacy of bitterness or are they ambivalent or are
17 they anxious to continue the development?

18 MR. KRUSE: The data that
19 we have from Anchorage and Fairbanks would indicate that
20 there is more support for the gas line than there was
21 for the oil pipeline and one of the basic reasons is
22 that since we've gone through it once, let's do it again.

23 MR. BARING-GOULD: The City
24 Council of Valdez has appropriated significant amounts of
25 money to Omar, to try and get the gas line routed through
26 Valdez.

1 Q Okay, another
2 question quite separate from the first one.

3 Can you tell us the effect
4 of the pipeline construction period on the tourist industry
5 of Alaska?

6 MR. KRUSE: Some articles
7 that I have seen and the information that we have from the
8 highway communities has been that it's a very dramatic
9 negative effect on tourism, despite the fact that in
10 general projects in Alaska, tend to draw more tourists
11 through curiosity and so forth, the pipeline seems to have
12 had a net negative effect.

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1 There is also a complication in the fact that it's relatively
2 it's growing more and more expensive to come to Alaska as
3 a tourist and so concurrent with the pipeline with that
4 change in the cost.

5 Q And it was a
6 negative effect on the tourist industry as a result of the
7 inflated costs of Alaska that were concurrent with the
8 construction period, or were there other reasons as well?

9 A Cost, I think also
10 people didn't want to come into a situation that reminded
11 them of home in terms of urban hassles and dealing with
12 a lot of other people. There was also, at least in
13 Barrow my perceptions have been there's an increase in
14 racial hostility and openness and confronting tourists.

15 MR. BARING-GOULD: I think
16 one other sort of long term implication which is very
17 important is competition for land use. You look at Valdez
18 as a community, because of the pipeline, a lot of the
19 sort of industrial development of that town has been along
20 the waterfront in Valdez. In Homer with the anticipated
21 sort of continental shelf drilling, a lot of the area
22 on the spit in Homer is a traditional sort of tourist
23 place has been allocated to industrial activity. I
24 think it's going to have sort of long term implications in
25 these communities.

26 That is one aspect of

1 planning which communities should consider very carefully
2 is how land is going to be utilized in the future and
3 not necessarily designating for industrial use, areas
4 which have tourist potential or recreational potential.

5 Q Thank you.

6 MR. ROLAND: Those are all
7 the questions I have.

8 MR. CHAIRMAN: The Board
9 has no questions. I would like to say Ms. Fison and
10 gentlemen that the Board very much appreciates your
11 agreeing to come here and give us the benefit of your
12 experience and your research in the Alaskan experience.
13 Your evidence we found most interesting and I'm sure
14 we'll find it most valuable. So thank you very much
15 indeed.

16 (WITNESSES ASIDE: KRUSE, FISON, BARING-GOULD)

17 MR. GOUDGE: Mr. Chairman,
18 I would propose that we take a very short break and then
19 reconvene for the presentation from the Government of Yukon.

20 MR. CHAIRMAN: All right.
21 I suggest about a five minute break.

22 (PROCEEDINGS ADJOURNED)
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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

MR. CHAIRMAN: Ladies and gentlemen, I'd ask that you take your seats please so we might resume proceedings. Mr. Horton, whenever you're ready please?

MR. HORTON: Mr. Chairman, we're now prepared to read in the evidence of the Territorial Government's copies of what is going to be read today, have already been distributed to all the participants. I believe the Inquiry Counsel has already provided us

I also remind you that the fuller presentation -- the full written presentation has already been filed and I expect would be taken as read into the record and formed part of the transcript as evidence.

At this time, I'll simply introduce Commissioner A.M. Pearson who will make the first presentation and in the course of that, I believe he'll be introducing the other members of the Executive Committee of the Yukon Territorial Government and their presentations.

COMM. A.M. PEARSON, Sworn;

MR. DAN LANG, Sworn;

MR. KEN MCKINNON, Resumed;

MRS. FLO WHYARD, Sworn.

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MR. CHAIRMAN: Dr. Pearson?

COMMISSIONER PEARSON: Thank you.

Dean Lysyk, members of the Board of Inquiry, on behalf of the people of the Yukon Territory and their government, I express my appreciation to you, the members of the Inquiry, for inviting us to appear here today, to express both our hopes as well as our concerns, with respect to the proposed Alaska Highway pipeline project.

I appear before you today in my role as Chief Executive Officer of the Yukon Territory and Chairman of the Executive Committee.

It must be noted that the ideas and policies presented to you today, in no way represent the views of my Minister in Ottawa or his Cabinet colleagues. They express the sincere hard work of the Government of the Yukon Territory representing the citizens of this great area. They have been formulated by a thorough process of research, discussion and introspection carried out by members of the Public Service of the Yukon and consultants under the guidance of this the Executive Committee.

My colleagues on the Executive Committee have been elected by the people of the Yukon. They appear before you this morning as members of the Executive Committee - the Cabinet you might say, to which they were appointed by their colleagues in the legislature.

May I introduce to you, Mrs.

1 Flo Whyard, Executive Committee Member, responsible for the
2 Department of Health, Welfare and Rehabilitation. Flo?
3 Mr. Ken McKinnon on my right, Executive Committee Member
4 responsible for the Departments of Local Government and
5 Highways and Public Works. Ken McKinnon. And Mr. Danny
6 Lang, Executive Committee Member responsible for the
7 Departments of Education and the Yukon Housing Corporation.

8 Each of the Executive Committee
9 Members will address the Inquiry on matters pertaining
10 to his or her department and area of responsibility.

11 Time is short. We recognize
12 that this forces us to be both selective and brief in our
13 verbal presentations; despite the fact that many of these
14 areas of concern are complicated and of deep and abiding
15 interest to our constituents -- many of whom hold con-
16 flicting views.

17 While all aspects of each
18 area of interest cannot be fully covered in our respective
19 presentations, I draw your attention to the Yukon Govern-
20 ment's written presentation which contains a comprehensive
21 body of information, information from which our four verbal
22 presentations have been drawn. In addition, areas of
23 special interest may be further examined through the
24 cross-examination of myself and Executive Committee Members.

25 Contrary to popular outside
26 opinion, the people and the Government of Yukon have

1 experienced many times, the impact of industrial develop-
2 ments and the social structures and events that emerge
3 from them. Nearly eighty years ago, we absorbed the impact
4 of a great gold rush, we have navigated fleets of river-
5 boats in numbers that rivalled the Mississippi's. We have
6 operated gold fields and electrified gold dredges that
7 moved millions of tons of gravel. We have seen a railroad
8 built within our borders. We have seen dams built, trans-
9 mission lines built, communication systems installed,
10 mines built -- one of them among the largest of its kind
11 in the world. We have built highways, bridges, air fields.
12 We built - with all its complications, the City of White-
13 horse where we sit today. Throughout the summer season,
14 we feed, accommodate and transport over three hundred
15 thousand tourists per year. We have built hundreds of
16 miles of two inch, three inch, four inch and eight inch
17 petroleum pipelines and their attendant tank farms and
18 support facilities.

19 From this brief summary, it
20 will be appreciated by visitors here and people abroad,
21 that projects and events of great magnitude are not new
22 to us, nor are we awed by them.

23 But this aside, it cannot be
24 denied that this particular project - the Alaska Highway
25 pipeline project - is being subjected to a deep and far
26 reaching examination. There are I think, a variety of

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1 reasons for this. Certainly, the widespread publicity
2 associated with the Alaska pipeline experience is a factor
3 of major importance. The much publicized world-wide energy
4 crisis and its impact on the United States is another.

5 A genuine and growing concern
6 for the overall quality of life on this planet engages the
7 interests of many, however, closer to home, there is concern
8 about the impact the Alaska Highway pipeline project would
9 have on our social and our physical resources.

1 manpower, education, housing, health, welfare, law
2 enforcement, the economy, inflationary trends, municipal
3 and local government, communities along the pipeline route,
4 our renewable resources, our highways, and the Yukon's
5 native peoples land claim. All of these matters and
6 others related to the pipeline project are of paramount
7 concern to the people of the Yukon and their government.

8 Clearly then, should the
9 construction of a pipeline through Yukon be approved,
10 it will be our duty to ensure that all of these areas
11 of serious concern receive our uncompromising attention.
12 Should we do any less it could then rightly be said
13 that we have failed to properly discharge our constitutional
14 responsibilities -- responsibilities incidentally that
15 are clearly enunciated in the Yukon Act.

16 To this end, the Yukon
17 Government is determined to be heard during the deliberations
18 of any Federal Regulatory body designed to oversee the
19 actual construction and subsequent operations of the pipeline.
20 We concur with the N.E.B.'s finding that an agency will
21 be needed to monitor socio-economic matters, as well as
22 agreeing with its recommendation that effective machinery
23 be created immediately for this purpose.

24 We strongly support the
25 need to create a single regulatory agency. Placing
26 this concept before you will serve to signal that it is

1 our firm intention to avoid a multiplicity of inspections,
2 instructions and interpretations of regulations during any
3 pipeline construction and post-construction periods.

4 We recognize that the
5 overall authority covering the construction and operation
6 of a pipeline -- such as the one being proposed -- is
7 embodied in Federal Legislation and Regulatory bodies.
8 We believe, however, that a Yukon Government presence is
9 essential at every decision-making level to insure that
10 the final decision -- on any matter pertaining to the
11 pipeline's construction and operation -- reflects the
12 Yukon's point of view.

13 We believe that a
14 Yukon "input" is a fundamental requirement in all matters
15 related to the project.

16 Structuring such a single
17 Regulatory Agency capable of minimizing undesirable
18 social and economic impacts on Yukoners is a major
19 task. Consider this. In addition to the Department of
20 Indian and Northern Affairs -- which has a legal mandate
21 to co-ordinate the activities of all Federal Government
22 departments, branches and agencies -- there are eight
23 other federal departments involved. And these departments
24 have the authority to administer different aspects of
25 pipeline construction through some thirty-five different
26 pieces of legislation.

1 In addition, the Yukon must
2 plan for effective controls related to the socio-economic
3 impact of the pipeline project -- knowing full well that
4 Section 92 (10) of the B.N.A. Act may be imposed declaring
5 that the pipeline is "for the general advantage of Canada."
6 Should this happen, the Federal Government would then assume
7 full control of the project.

8 It is essential that there
9 be one single focal point to ensure that all regulatory
10 functions are carried out in a co-ordinated manner.

11 Because of this, it is the
12 Government of the Yukon's view that first, a single
13 regulatory agency be established with headquarters in
14 the North; second, that this agency be created for the life
15 of the project only; third, that an advisory council be
16 established in conjunction with the agency and that it
17 contain representation from special interest groups in
18 Yukon; and fourth, that the cost of the agency and
19 the council -- which are directly related to the pipeline--
20 be charged to the applicant.

21 It should be emphasized
22 at this point that this regulatory agency should be
23 established with sufficient lead time to ensure that
24 detailed and explicit regulation and monitoring techniques
25 are developed. The agency, therefore, should be established
26 on the very day the certificate of public convenience and

1 necessity is issued for a northern pipeline.

2 I will now leave the matter
3 of a Yukon Pipeline Regulatory Agency and pass to the
4 financial impact the proposed pipeline would have on
5 Yukon Government.

6 Our research into this
7 subject -- which has been substantial -- tells us that
8 during both the construction and operational phases of
9 the pipeline project; the pipeline would have a positive
10 impact on the Yukon Government's direct revenues. In
11 addition, the National Energy Board conditional ruling
12 that the pipeline should pass through Dawson City adds an
13 extra one hundred miles to the Yukon segment and will
14 increase the Yukon's projected revenues by approximately
15 twenty per cent. This does not mean, however, that we should
16 start clapping our hands in happy anticipation.

17 Let me explain.

18 A considerable portion of
19 the Yukon Government's expenditures is met by a Federal
20 operating grant. Therefore, in practice, any net gains
21 from the pipeline project could largely go toward
22 reducing the Federal Deficit Grant. In short, Territorial
23 taxation revenues from the pipeline project could enable
24 the Yukon Government simply to meet a greater proportion
25 of its operating and maintenance requirements.

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1 But the ultimate beneficiary in
2 this instance could be the federal government in the form
3 of a reduced operating grant payment to Yukon. I think it
4 should be recognized, however, that additional taxation powers
5 are available to Yukon. For example, the Yukon has no retail
6 sales tax and therefore Yukon does not derive any income from
7 this source as do all provinces with the exception of oil
8 rich Alberta. And should the Yukon have a sales tax of
9 say, five percent on retail sales then a tax on just the
10 pipeline construction materials could yield some twenty five
11 million dollars as non-recurring gain to the Yukon.

12 The Yukon government, this govern-
13 ment is not, however, as interested in non-recurring gains as
14 it is in the long-term benefits -- the long terms benefits
15 for the people of Yukon.

16 I wish to assure the members of
17 the Board as well as the pipeline proponents that the Yukon
18 government has no wish to impose intolerable financial strains
19 on the project. On the other hand I think it must be acknow-
20 ledged that Yukon should be justly compensated for the ex-
21 tensive services and facilities required to support the
22 project through it's construction and operational phases as
23 well as to provide the reasonable and high standard of
24 government services Yukoners have come to appreciate on an
25 ongoing basis.

26 We're realistic. We recognize

1 that the pipeline is an important avenue of supply for the
2 people of the United States. We also see it as a profitable
3 business for the proponents. We also see revenues and bene-
4 fits coming to the people of Canada. But quite frankly, the
5 benefits to the people of the Yukon are not nearly so clear.

6 Too often increased direct revenue
7 to government result only in increased size and influence of
8 government. How then, I ask you, can industrial and re-
9 source development in Yukon be structured to channel benefits
10 to the individual. How could each and every one of us see in
11 real terms concrete long-term benefits from Yukon resource
12 development.

13 And this, Mr. Chairman, leads
14 us to the essence of the problem. The complex and challenging
15 problem. But with, in our opinion, one logical solution.
16 And that solution is a significant equity position held by
17 this government for the people of the Yukon. But with strong
18 controls as to how revenue from such an investment will be
19 used. Now I personally can think of many blue prints. By
20 referring you to the Alberta Heritage Fund or the Alaska
21 Permanent Fund. Alternatively the Alberta Energy Company
22 Limited, or, on a national scale, The Canada Development
23 Corporation.

24 There's still a question, though.
25 How does the Yukon with it's present constitutional and
26 financial position attain this equity position?

1 Mr. Chairman, this Inquiry is our
2 means of communicating the vital importance of ensuring such
3 an equity position for the people of the Yukon. We strongly
4 urge you to recommend to the Government of Canada that a
5 requirement of any certificate for the construction of a
6 northern pipeline be that this equity is guaranteed.

7 Such an arrangement will influence
8 development and the events of the future. Indeed, the time
9 has arrived when Yukoners must be able to participate in the
10 development of Yukon's resources -- the potential of which we
11 all are well aware.

12 Mr. Chairman, I'd like now to
13 turn to a particular segment of the Yukon society -- the
14 Indian people and their land claim.

15 The Yukon Government, in re-
16 cognition of the terms of reference of the Alaska Highway
17 Pipeline Inquiry and in keeping with Dean Kenneth Lysyk's
18 closing statement at the Whitehorse hearing on the 20th of
19 May, 1977, suggests that the construction of a natural
20 gas pipeline through Yukon could proceed without prejudice
21 to the settlement of the Yukon Indian Land Claim.

22 In order for this to occur, the
23 Government of Canada would have to agree that its approval
24 of the Foothills Project would in no way prejudice the
25 ultimate claim of the Yukon Indian people in and to land in
26 the Yukon Territory and in recognition of this native in-

1 crest, the Government could: First. Grant a significant cash
2 payment, in advance of settlement and insure that it can be
3 used by the Yukon Indian people to acquire substantial equity
4 participation in the pipeline. This should provide long term
5 economic benefits as well as participaton in policy decisions
6 through representation on the Board of Directors of the pipe-
7 line company.

8 Secondly, they could advance a
9 further pre-settlement cash payment to enable native village
10 business corporations along the pipeline route to participate
11 in the construction and ancilliary service opportunities.

12 Thirdly, pending a final land
13 claims settlement, the government could delineate certain
14 traditional hunting, trapping and fishing areas near the
15 pipeline corridor which are of special concern to the Yukon
16 Indian people and on those areas apply terms and conditions
17 that will prevent adverse effects from pipeline construction.

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1 Finally, if necessary, the
2 Government could suspend land claim negotiations for a period
3 of six months to enable the Yukon Indian people to concentrate
4 on the proposed arrangements and establish business
5 corporations so that benefits will flow to all communities
6 adjacent to the pipeline corridor.

7 By following these steps,
8 the Yukon Government believes that the construction of
9 a natural gas pipeline through Yukon will not prejudice
10 the Indian land claim. On the contrary, its positive
11 approach could produce the basis for further and more
12 meaningful native participation in the social, economic
13 and political future of Yukon.

14 Even further, this approach
15 reflects in a most positive way the second goal contained
16 in Document Number Two of March 8th, 1977, released and
17 agreed to by the Planning Council - Yukon Indian Land
18 Claim. This objective reads as follows, and again I quote
19 from that paper:

20 "Provide land and other forms of compensation
21 to the Yukon Indian people to compensate them
22 for the loss of lands traditionally used and
23 given up under the settlement so that they may
24 have the opportunity to build an economic base
25 equal with that of other Yukon citizens."

26 The Government of Yukon

1 believes that the construction of a natural gas pipeline
2 through Yukon could provide opportunities for the Yukon
3 Indian people to build an economic base and ultimately
4 could contribute positively to a just and expeditious
5 settlement of the Yukon Indian Claim.

6 Let me now quickly pass to
7 Yukon's interest in gas as an energy source. It should
8 not come as a surprise to anyone that we are also interested
9 in gas for both domestic and industrial use. We feel
10 that one should not go thirsty when there is a river
11 flowing past one's door.

12 The possibility of providing
13 the Yukon with a supply of natural gas formed part of
14 the pipeline applicant's original submission to the
15 National Energy Board. While the applicant's original
16 proposal to supply the Yukon with gas was casual, we
17 note with interest that they have gone deeper into the
18 matter and that their research is continuing.

19 Technical and economic
20 details aside, we see the possibility of Yukon communities
21 tapping the proponent's system and, by this means, provide
22 Yukon citizens with an alternative -- or choice -- to
23 fuel oil, which is used extensively now.

24 At present it appears
25 that the applicants are prepared to bring gas to what is
26 referred to as the "town gate" at no charge to Yukon

1 consumers. These charges, they say, will be passed on to
2 consumers in the United States. We take this to mean that
3 the applicant will construct lateral pipelines leading
4 from the main pipeline to participating communities.

5 We recognize that the gas
6 used in Yukon must be replaced in Canada at the lower end
7 of the system by an equal amount of Alberta gas. The Yukon
8 Government is anxious to obtain official confirmation
9 from the Government of Alberta that this so-called "swap
10 gas" proposal is acceptable to them, and that the necessary
11 arrangements can be completed at the Federal level.

12 However, Mr. Chairman, should
13 the Dawson City route and the Dempster lines be established,
14 we would be dealing with Canadian gas, not American, and
15 the supply of gas to Yukon communities would be far simpler
16 in nature.

17 We also recognize that it is
18 too early to discuss details pertaining to the delivery
19 of natural gas to the citizens of Yukon. However, we do
20 believe that -- subject to completion of favourable
21 arrangements -- the delivery of gas to Yukon communities
22 would be to the overall benefit of Yukon. With this
23 in mind, we accept the idea in principle that should a
24 Yukon route be selected as the route for the Alaskan gas
25 to the lower forty-eight, we would actively pursue the
26 completion of the "swap gas" arrangement.

1 I will now comment briefly
2 on the implications of the Dawson rerouting of the forty-
3 eight inch line and a Dempster lateral pipeline for which
4 immediate feasibility studies have been called for by the
5 National Energy Board. If the Dempster Highway and
6 Boundary Road to the Alaska border are to be kept open even
7 this coming winter, five hundred thousand dollars in
8 maintenance costs will be required -- money which is not
9 included in the current Yukon Government budget.

10 A number of capital projects
11 of considerable magnitude may become necessities if pipeline
12 construction is to proceed in the central and northern
13 Yukon. These include, but are not exclusive: a new
14 water and sewer system in Dawson; a reconstruction of the
15 Boundary Road past the Clinton Creek turnoff; a
16 reconstruction of older sections of the Dempster Highway;
17 and a bridge at Dawson may be justified by construction
18 and operating requirements of the pipeline.

19 The routing of the pipeline
20 through Dawson results in a much larger community impact.
21 A total of fourteen hundred people reside in Dawson, Carmacks,
22 and Pelly Crossing, with another twelve hundred in the
23 adjacent communities of Mayo, Elsa and Clinton Creek. By
24 comparison only six hundred residents are in the
25 communities on the north Alaska Highway which seemingly
26 are no longer part of the pipeline route.

1 The N.E.B.'s rulings, if
2 endorsed by the Government of Canada, will have far-ranging
3 effects, and on balance, I believe, beneficial ones, upon
4 Yukon -- but effects which at this short notice are really
5 only beginning to emerge.

6 Finally, I come to another
7 subject of major importance. This matter is so important
8 that I request the Members of the Board to take special
9 note of it.

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1 I refer to the truly frightening
2 prospect of an uncontrolled in-migration of southern Canadian
3 workers stampeding into Yukon, looking for employment on the
4 pipeline project. I state now for the Board's information
5 and for the record that an uncontrolled influx, a stampede of
6 souther Canadian workers into Yukon will do irreparable harm
7 to the Yukon, its communities and its people. All manner
8 of problems will flow from such an influx and it must not be
9 allowed to happen.

10 The simple fact of the case is
11 that at this time there is no pipeline construction work, and
12 if final approvals are granted, construction may start two
13 years from now and when it does, Yukoners will be given pre-
14 ferance in all job situations, and to be a Yukoner, one has
15 to meet certain requirements.

16 When southern Canadian workers
17 are needed for pipeline construction for reasons of special
18 skills, they'll be hiring centres outside of Yukon and I say
19 this with great emphasis so that there will be no misunder-
20 standing whatsoever -- no, I repeat, no southern Canadian
21 worker can be hired in the Yukon for direct pipeline employ-
22 ment. To work on the pipeline for reason of special skills
23 a southern Canadian worker must hire on outside the Yukon.
24 Only a Yukoner who meets the qualifying requirements should
25 be hired locally.

26 I ask the Inquiry Board to take

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1 special note of the alarming prospect of an army of expectant
2 workers descending on the Yukon, a place that's incapable of
3 absorbing. Certainly this government would fail in its duty
4 if it did not place this fundamental problem before you in
5 the strongest possible terms.

6 Now, the Government of Yukon
7 Territory regards this matter so importantly that it requests
8 your support for establishment of a screening system and in-
9 formation service at all Yukon ports of entry. In addition,
10 the government asks that a hard-hitting national information
11 campaign be mounted immediately to advise southern workers
12 that there is no pipeline construction going on in Yukon now
13 and there will not be for at least two years. And the cam-
14 paign should also warn southerners that if pipeline construc-
15 tion does start in two years, only Yukoners will be hired in
16 the Yukon. All other workers will be hired outside the Yukon.

17 Members of the Board, because of
18 its paramount importance, I've saved this consideration for
19 the finale of my presentation. The influx of workers into
20 the Yukon, either now or later, would be disastrous. Nearly
21 all of the other negative social impacts that we envisage can
22 be eliminated if inflow of people is assiduously controlled
23 and the Yukon Government does not intend to allow the people
24 in communities of the Yukon to be subjected to the social
25 pressure such an uncontrolled in-migration would generate.

26 In closing, I wish to emphasize

1 that the Yukon Government's attitude towards the pipeline is
2 positive, provided it is balanced with concern for the econo-
3 mic and social well-being of all Yukoners and that our envi-
4 ronment and the Yukon's integrity remain unabused.

5 We often hear the word "progress"
6 attached to large industrial projects, projects such as the
7 Alaska Highway Pipeline proposal, and this may be. But I
8 say with great emphasis and feeling that unless the enhance-
9 ment of the human spirit, the human condition, becomes part
10 of the project, it's not progress, it's merely growth. And
11 we are not looking for growth, we are looking for progress,
12 which, in our view, must include the feelings, the aspira-
13 tions and the hopes of all peoples who regard Yukon as their
14 home.

15 Please forgive me, Members of
16 the Board, for introducing this philosophical note, but it
17 is possible that the bureautic unfeeling phrase "socio-
18 economic impact" will lead us to think of people as mere
19 cyphers to be programmed to fit the pipeline project and in
20 fact, the reverse is true. We see the pipeline project
21 being programmed to meet the needs of our people, the people
22 of the Yukon.

23 I thank the Members of the In-
24 quiry for their attention to my presentation.

25 MR. CHAIRMAN: Thank you very
26 much, Mr. Commissioner for that most interesting submission.

1 I take it now we'll proceed
2 directly to a presentation by one of your colleagues on the
3 Executive Committee.

4 HON. MRS. WHYARD: Mr. Chairman
5 and Members of the Inquiry. Throughout your hearings, par-
6 ticularly at the informal public sessions, there has been a
7 considerable amount of serious concern, voiced most sincere-
8 ly by many Yukoners who are not only apprehensive regarding
9 the social impact of the proposed pipeline project, but
10 dubious as to this government's ability to maintain control.
11 May I say at the outset that the objective and intention of
12 the Department of Health, Welfare and Rehabilitation, which I
13 represent, is not just to keep the lid on during peak con-
14 struction seasons, but to maintain an adequate level of all our
15 services to the public, before, during and after any pipeline
16 project.

17 In order to accomplish this goal
18 we have looked with a very objective eye at the man years and
19 dollars now required to provide all our services to residents
20 of the Yukon and to the transients who come North annually.
21 On top of that, we have projected the probable additional
22 requirements during a pipeline project, in all the areas to
23 be considered and we have come up with some very high costs,
24 which are tabled in the Financial Impact Section of this
25 presentation.
26

Those costs which are clearly over and above our normal operations, must be charged to the pipeline, not to the taxpayers of the Yukon Territory. The additional personnel and programs we visualize as being required, will act as a buffer if you like, against the disruption of our normal services. An air cushion, such as is now being required on some new automobiles, to cushion the impact of an irresistible force over which the victim has no control.

It is our belief moreover, that we do not necessarily have to view the expected influx of southerners as if they were the Assyrians coming down like the wolf on the fold. For decades, the Yukon has been trying to attract Canadians from the south to come up and see this north land. We have welcomed them and given them the message to take back to the rest of Canada, that here we have a vital, beautiful land with very special qualities making up the backbone of this nation.

We have found these visitors to be no better and no worse than our own people and we expect this yardstick will still apply. Yukoners who make their living on construction projects are no different from the rest of us. Working on a pipeline is not going to change people. There will always be the same ratio of people with problems however, and with more people coming, we can expect more problems.

1 It is the intention of this
2 department that the Yukoners whom we now serve, the elderly
3 the young, the families needing help, the handicapped and
4 the ill, will not be victims but rather beneficiaries of
5 any pipeline project. Mr. Justice Berger said recently,
6 it is our responsibility to see that the North and the
7 people of the North are not the losers. This department,
8 Mr. Chairman, intends to see that the people of the Yukon
9 are not the losers.

10 I believe that this government
11 is in a position sufficiently strong, to ensure that our
12 people are not the losers. There is no comparison of our
13 position today with that of previous governments here,
14 faced with an influx of people lured north by a massive
15 development. The rush to the Klondike gold fields in
16 1898 followed by years, the actual discovery of gold,
17 but even when the stampedeers finally arrived in Dawson,
18 there were no government resources in position.

19 It is helpful Mr. Chairman,
20 to look back briefly at those times. When the first
21 appointed Commissioner of the Yukon, William Ogilvie,
22 returned to the Klondike in September of '98, he found
23 it far different from a small placer-camp he had left,
24 less than two years before. Perhaps as many as forty
25 thousand people from all over the world and from every
26 background and creed, swarmed the streets of Dawson and

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1 the nearby hillsides.

2 He and his fellow officials were
3 confronted by many problems, unique in the history of
4 Canadian administration. Services were required by a
5 very isolated area with suddenly ten times its former
6 population and by Dawson, a booming settlement of seventeen
7 thousand which had no municipal institutions to serve its
8 people. Ogilvie wrote to Ottawa,

9 "Immediately after my arrival, I was beset by a
10 great multitude, each individual of whom expected
11 that he or she was going to secure everything
12 that was just and right and of course, their
13 own views were just and right, as compared with
14 the views of those opposed to them. For weeks
15 after my arrival, I was beset by this multitude
16 daily. Not one moment of the long day, generally
17 from eight in the morning until well towards mid-
18 night, was I at peace.

19 It appears it was thought, I was armed with
20 exceptional powers such as only the most absolute
21 autocrat on the face of the earth could have.

22 It was expected I would reverse decisions with-
23 out hearing anything but a simple statement made
24 by one party, and because I couldn't do this,
25 great disappointment was expressed."

26 Mr. Chairman, our Social

1 the nearby hillsides.

2 He and his fellow officials were
3 confronted by many problems, unique in the history of
4 Canadian administration. Services were required by a
5 very isolated area with suddenly ten times its former
6 population and by Dawson, a booming settlement of seventeen
7 thousand which had no municipal institutions to serve its
8 people. Ogilvie wrote to Ottawa,

9 "Immediately after my arrival, I was beset by a
10 great multitude, each individual of whom expected
11 that he or she was going to secure everything
12 that was just and right and of course, their
13 own views were just and right, as compared with
14 the views of those opposed to them. For weeks
15 after my arrival, I was beset by this multitude
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21 autocrat on the face of the earth could have.

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23 out hearing anything but a simple statement made
24 by one party, and because I couldn't do this,
25 great disappointment was expressed."

26 Mr. Chairman, our Social

1 Welfare Branch may be beset by multitudes during a pipeline
2 construction, but we will be a lot better organized than
3 was William Ogilvie's government.

4 Comprehensive reports are
5 tabled today, detailing the operations in our health
6 branch, Social Welfare, corrections and probation, rehabil-
7 itation and alcohol and drug services. In some of these
8 areas such as health care, we are fortunate in having an
9 abundant supply and anticipate minimal requirement for
10 expansion. Health care delivery in the Yukon, uses the
11 core system. Whitehorse General Hospital is the heart of
12 the system with one hundred and twenty beds, three inten-
13 sive care and twelve extended care. It has an occupancy
14 rate of approximately fifty per cent. In turn, it is
15 supported by a series of health stations, health centres,
16 smaller hospitals and nursing stations.

17 The doctor/patient ratio is
18 very favourable. Twenty-seven physicians in active
19 practice in 1976/7, for fewer than twenty-five thousand
20 people, plus five visiting specialists who come in
21 quarterly. There are five public health nurses serving
22 the Whitehorse area out of the Public Health Centre which
23 is separate from the hospital, plus a public health nurse
24 in almost every community.

25 Expansion of services had
26 already been planned for Haines Junction and Beaver Creek

1 to meet the expected demands of the new Kluane National
2 Park. These can be accelerated if necessary. There is
3 a special medi-vac system for meeting the needs of the
4 patients wherever the appropriate care is located,
5 whether it be Whitehorse or Vancouver or Edmonton.

6 The Yukon Regional Office of
7 Health and Welfare Canada at present, administers our
8 hospitals and public health services, pending the transfer
9 of responsibility for delivery of health care to the Yukon
10 Territorial Government. Their estimation is that our
11 facilities will be able to handle the influx expected.
12 The hospital departments most affected would be out-
13 patients, laboratory, x-ray and physiotherapy, with in-
14 creased demands on operating room staff and facilities.

15 As is the present custom,
16 serious accident cases would be evacuated. It is antici-
17 pated that an increase in staff of ten per cent would be
18 required at Watson Lake Hospital on the pipeline route.
19 An increase in communicable diseases can be expected,
20 with an influx of a large number of workers and it is
21 proposed to add one public health nurse at Teslin, at
22 Haines Junction, at Destruction Bay and at Beaver Creek,
23 plus a residence trailer unit at Beaver Creek and
24 additional help for the communicable disease unit at
25 Whitehorse General Hospital.

26 This additional public health

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1 staff can be located at any community on the finally
2 chosen route, wherever it is seen that the impact will
3 be concentrated. There are at present, only three
4 environmental health officers in the Yukon Territory and
5 as they will be required to oversee the enforcement of our
6 Public Health Ordinance and territorial regulations
7 affecting a large work force, two more of these officers
8 would be required.

9 The Health Branch stresses
10 the importance of those pre-employment physical examina-
11 tions to screen employees prior to their being hired on
12 the pipeline and there are a number of other practical
13 recommendations included in this submission. I am
14 authorized to say Mr. Chairman, that a Federal officer
15 of the region can be made available for further question-
16 ing if this is desired.

17 Under our health section, we
18 have the alcohol and drug services program which has also
19 submitted a comprehensive report on what is available now
20 and what they see as being required additionally during
21 a pipeline period. You will see that we have a central-
22 ized treatment and residential program in place at present
23 in Whitehorse, plus community workers in Dawson, Ross
24 River, Teslin and Carcross and staff counsellors based in
25 Whitehorse and Faro who do their best to cover most of
26 the rest of the Yukon regularly.

Among the recommendations from this branch, are requests for adequate impact funds well in advance of the project so that staff may be trained and in place to implement the required programs. At the expected pressure points, it is suggested that portable de-tox units be established and there is a comprehensive breakdown of costs involved which Foothills Pipe Lines would be expected to absorb, covering twelve additional man years.

1 It should be remembered that
2 at the beginning of the construction phase of the Alyeska
3 Pipeline, the state of Alaska had a scarcity of Alcohol and
4 Drug Abuse Programs and services. Fairbanks was the only
5 pipeline corridor community which had an alcoholism program
6 but no detox center.

7 Many individuals requiring
8 treatment were sent to the local general hospital at the
9 beginning of construction. Funds were not made available
10 for a year after they were requested by the city and there
11 appeared very little co-ordination between their plans and
12 those of the state office of alcoholism or with the Fair-
13 banks native association. We would plan for a better start
14 here. It should also be noted that the Alaska experience
15 showed the ratio of alcoholics to non-alcoholics of
16 alcohol related problems increased drastically. We would
17 expect the majority of these problems would occur among
18 the peripheral people, not necessary pipeline employees.
19 But this group must be considered as part of the responsi-
20 bility included in our pipeline costs.

21 These included assaults, family
22 stress, drunken driving and disturbances. Alaska's ex-
23 periences have resulted in a number of practical recommend-
24 ations to us which will be implemented in our planning and
25 prevention of some of these problems. Some of these are
26 already in place. Preventive and treatment oriented programs

1 educational and informative programs, detoxification centers,
2 residential treatment programs. Community programs using
3 trained people. We will benefit from other suggestions
4 such as the necessity for a contract signed well in advance
5 of construction, clarifying the responsibilities for supplying
6 facilities and paying the costs for pipeline employees.

7 We recognize, also that law
8 enforcement must curtail the first signs of increased alcohol
9 offenses and establish a firm precedent well publicized.

10 We would also suggest close
11 liason between alcohol and drug services, the contractor,
12 and the Liquor Control Board.

13 A major portion of the additional
14 burden imposed by a large influx of people with problems will
15 have to be borne by the Social Welfare Branch which has
16 as it's head office here in Whitehorse with field office
17 in Dawson City, Maon, Farrell, and Watson Lake and social
18 workers who cover the North Highway to Beaver Creek and
19 the South Highway to Swift River.

20 As well, we extend emergency
21 child protection and other services to adjacent communities
22 in Northern British Columbia such as Atlin and Lower
23 Post.

24 Current staff additions permit
25 continuing development of preventive programs with emphasis
26 on adolescent needs, alcohol abuse, and geriatrics services.

1 But Mr. Chairman, case loads run from ninety to a hundred and twenty-
2 five per social worker. If as trends indicate in Alaska,
3 family problems intensify as a result of pipeline impact,
4 these case workers will be unable to meet the demands placed
5 upon their services.

6 There has been a great deal of
7 debate during the INquiry regarding the probably number
8 of immigrants who will be attracted by the possibility of
9 pipeline jobs or other employment opportunities. The social
10 welfare branch is experienced in dealing with problems of
11 transients arriving in the Yukon with plans to obtain a high
12 paying job whether in the mines or some other industry.
13 The policy of the branch is to offer only minimal assistance
14 to such people. In many cases when it becomes apparent
15 that there are no jobs to be had they are encouraged to
16 hitch-hike back to where they came from. They are given only
17 seven dollars food money and are not supported on a long-term
18 basis.

19 The number of transients assisted
20 annually since '71-2 has varied from three hundred and
21 seventy five in that year to three hundred and eighty eight
22 in '76-7, peaking in '74 to '76 with four hundred and
23 eighty five and four hundred and sixty two respectively.

24 When many transients were on
25 the road to Alaska to work on the Alyeska Pipeline or on
26 their way back, some of them without a job and destitute.

1 Those peak years also included the construction of the Aishihik
2 Hydro Project in the Yukon.

3 Regardless of how tough a transient
4 policy the social welfare branch has, we cannot turn away
5 destitute, hungry individuals or families without at least
6 a referral to shelter for the night or a meal. Transient
7 facilities in Whitehorse and outlying communities are sadly
8 lacking. There is no emergency hostel for families and full
9 use would have to be made of Mary House, the YWCA, the
10 Whitehorse Youth Hostel and all other resources such as the
11 Salvatation Army which is establishing itself in Whitehorse
12 again this month. It's first return since the Klondike
13 gold rush.

14 Other impact areas of concern
15 include family problems related to the pipeline. Neglected
16 children, alcoholism, family stress due to inflated prices,
17 more protection in court work, more adolescent runaways, more
18 teenage drug involvement.

19 Recommendations from this branch
20 stress the need for three additional social workers in the
21 Whitehorse District. Three more to serve the pipeline
22 corridor communities working from portable units where
23 the need is seen to be greatest and one social worker to
24 act as community consultant and crisis intervenor.
25 Portable units should be ready for service, emergency
26 facilities for families be established. The YWCA be kept

1 open and available to transients. Day care facilities en-
2 larged and regulated.

3 An area whose costs have not
4 been researched would be the possible subsidy system for
5 families on fixed income as well as help for social assistance
6 recipients and old age pensioners if the cost of living
7 exceeds their annual increases.

8 After school activities should
9 be organized for children left unsupervised by parents on
10 pipeline jobs at the parents' expense.

11 And finally, the restricted
12 assistance for transients should be widely publicized
13 together with other discouragement literature and warnings
14 to southerns before they come up the highway.

15 Mr. Chairman, the heading re-
16 habilitation in my department indicates not only rehabili-
17 tation services for the handicapped which are covered in our
18 submission, but also the branches of correction and probation.
19 We do not at present, have the entire responsibility of the
20 criminal justice system. Some aspects of which, such as
21 the RCMP have been reported on separately.

22 The general approach here seems
23 to be that we will make the maximum use of our present
24 resources and develop others where required. Any increase
25 in population means an increase in crime which translates
26 itself into increased workload for our staff.

The Whitehorse Correctional Center could experience the greatest impact on the system and it is a happy coincidence, sir, that we are at this very time planning structural changes there. It is hoped that we may have several of these improvements in place in the next few months and that we will be in position to consider other requirements which might be imposed by the pipeline project.

You will note that one of the recommendations in our report is that a fine option program might be initiated by the courts as a diversionary measure. Thus removing some thirty five percent of male prisoners and seventy percent of female prisoners, who, as of last year served default periods on fines.

As well, it is recommended that the territorial age limit with respect to juvenile offenders might be raised from sixteen to eighteen years which would mean, approximately, a ten percent decrease in the population of the Whitehorse Correctional Institute and more residents at Wolff Creek Juvenile Training Home where at present more space is available.

Such an age change has been contemplated under the proposed Young Offenders Act which will be before parliament in the near future.

In the light of anticipated increases in the number of parolees who would join the

1 case load in the Yukon, we would approach the National
2 Parole Service to open an office here. We would examine
3 closely the federal territorial transfer of prisoners to
4 prevent the build up of those serving long sentences being
5 transferred here. As a medium security unit there is normally
6 a two year time limit at WCI.

7 Our requirements for an increase
8 in probation staff and additional training resources are
9 detailed in the report tabled today.

10 Mr. Chairman, since the announce-
11 ment on Monday from the National Energy Board, we have,
12 of course, been looking at the suggested alternate route
13 from the Alaska Highway through or near Dawson City. Our
14 department can be prepared for social impact in that area as
15 well as through the Kluane section of the Alaska Highway
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1 Dawson City has a doctor, and a hospital, and public health
2 centre. The hospital could be staffed for twenty-four
3 hour service. Medical facilities are in place at Clinton
4 Creek Mine. We have a Social Welfare office in Dawson City,
5 plus a newly established position for a Community Worker
6 there.

7 The material submitted today
8 has not expanded on the resources at present in place in
9 such communities as Carmacks, Faro, Ross River, and Watson
10 Lake. However, there are adequate and expandable Health
11 and Social Welfare facilities in each of those communities.

12 When the approved route is
13 chosen for the pipeline, we will be in a position to assess
14 the requirements of those communities directly affected.
15 We are not prepared at this time, Mr. Chairman, to provide
16 accurate estimates of additional man years or resource
17 facilities which might be required to accommodate pipeline
18 impact in that new area. But we would expect this to
19 include a considerable amount of emergency housing, public
20 health and nursing personnel, probation officer in Dawson
21 and probably additional court support.

22 We would, of course, apply
23 our plans for additional social workers and alcoholism
24 centres to the area chosen for the route, rather than to
25 the north Alaska Highway.

26 In all these areas of concern,

1 we are trying our utmost to profit by mistakes made elsewhere
2 and learn from their experience. We have been carefully
3 briefed by our neighbours in Alaska who have just been
4 through a similar experience on a larger scale. We are
5 examining the information available from Fort McMurray,
6 which has experienced the Tar Sands development. We know,
7 that although transients can be expected to form a significant
8 portion of our social welfare work load, local residents
9 will still constitute the majority of court cases. We
10 know that the typical offender will commit alcohol related
11 offences, that court totals will include a large percentage
12 of native people and a growing number of youthful offenders.

13 Our branch lives too close
14 to these problems every day, Mr. Chairman, to equate them
15 with pipelines alone. Some of the communities with the
16 most severe alcohol and unemployment problems now are
17 hundreds of miles away from any major development and they
18 will continue to have those problems.

19 One of the ironies, if I
20 may say so, Mr. Chairman, is that this Inquiry itself is
21 generating and compounding our future problems, because
22 of the national publicity it is receiving. Let me hasten
23 to add, however, whether or not a pipeline is built
24 through the Yukon, the assessment of programs required for
25 preparation of our briefs to you today, has been
26 worthwhile. It has made us take a very close look at the

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1 level of service we are providing now and how we would like
2 to see it improved.

3 In summing up, the main
4 objectives for my departments are these: to have sufficient
5 trained staff in place to handle the additional burden of
6 the pipeline; to keep the workload light enough to retain
7 our experienced staff throughout the pipeline project; to
8 have in place the additional resources for sheltering
9 families and individuals arriving in need; to cope with
10 the increased stress and family problems imposed by pipe-
11 line conditions; to be ready to handle alcohol and drug
12 cases related to the work force and the pipeline communities
13 where extra dollars will mean extra alcoholism; to provide
14 health and medical care at the normal high level enjoyed
15 by Yukoners now; and to reorganize our corrections facility
16 and probation parole services to absorb any newcomers who
17 may require processing through the courts. We hope to keep
18 our plans flexible enough to be applied to any part of
19 the Yukon.

20 These are some of the areas
21 we have delineated in the short time available to us,
22 realizing that this first phase of your Inquiry is dealing
23 with a decision in principle only. We can delve more
24 deeply into the details in a second phase inquiry. If the
25 impact of a pipeline means that we can, in the long run,
26 provide better services to everyone who needs them, it

1 will speak well for our planning and preparation, but none
2 of this will happen without the required funding which
3 must come from the pipeline, not the taxpayers of the Yukon.

4 Thank you Mr. Chairman.

5 MR. CHAIRMAN: Thank you
6 Mrs. Whyard for that submission. Mr. McKinnon?

7 HON. MR. MCKINNON: Mr.
8 Chairman and members of the Commission, my portfolio
9 responsibilities are Highways and Public Works and Local
10 Government.

11 The Highways and Public
12 Works Department is responsible for a number of activities
13 and highway maintenance is by far the most important
14 service pertinent to this Inquiry provided by the
15 Department to the residents of the Yukon, and also to
16 Yukon visitors. The Department of Public Works is the
17 Territory's largest department in terms of operation
18 and maintenance expenditure and it also generates the
19 greatest amount of dollars in recoveries from various
20 federal agencies.

21 We serve, Mr. Chairman, by
22 road every community in the Yukon except for Old Crow.
23 We also maintain besides our trunk roads, a network of
24 recreational roads throughout the Yukon. We feel we have
25 an extremely fine system of roads in Yukon and an expert
26 and competent staff to maintain them. In fact our eight

Our experience during the Alyeska project was that the Treasury Department suddenly started ringing into their tills windfall money on behalf of the Yukon taxpayer that we had not expected and had to find out where it was coming from. If you'll remember, Mr. Chairman, pack ice prevented, during the building of the Alyeska project, many of the goods from being shipped by ocean and the Alaska Highway became then the obvious alternative. During October to December 1974, our statistics reflected that the Alaska Highway absorbed an average increase of seventy-eight per cent traffic above the same period for the previous year with no apparent problem. This fell off sharply again in 1976 with the supplies to the Alyeska project in place.

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1 We feel the Klondike Highway
2 is perhaps in even better condition than the Alaska Highway
3 and only hope that the increased traffic due to pipeline
4 construction, if a permit is given, will allow the magic
5 number of two hundred and fifty vehicles per day to be
6 reached so that we can comply with the many requests from
7 Dawson and from the Yukon Visitor's Association to apply
8 calcium chloride to that section of the road from Stewart
9 to Dawson City.

Mr. Chairman, the Department
of Local Government has a direct involvement in most
aspects of the community development in Yukon. Through
the Department, a full range of municipal services is
provided to both organized and unorganized communities.
This includes funding, the provision of capital works,
community planning and land disposal, the preparation of
assessment rolls, fire protection, mosquito control programs
and construction inspection. Through our Municipal Services
Branch we foster, encourage, and assist in the establishment
of local government in Yukon communities.

The Department of Local
Government estimates a far greater effect on local
government operations than Foothills projects. Numerous
capital developments in the communities would likely be
triggered by the granting of a permit to Foothills and
we would anticipate that some seven additional staff

positions would be likely to be required.

As a result of pipeline construction, it's possible that one or more of the corridor communities could or would qualify for higher community status. Such a shift would require changes in the communities local legislative authority, availability of funding, and community administrative capabilities. The administration and financial authorities are already available to bring these changes about.

As communities grow, the demand for serviced land will intensify. Despite the short summer construction period providing the serviced land is not the serious problem. The major restricting feature is a failure to identify the types of land required well in advance of the need.

The Department of Local Government embarked this year on the largest community land development today in an attempt to provide a variety of serviced land needs as required in the various Yukon communities. In Whitehorse, the Yukon Government is developing raw land into serviced lots for land needs identified by the City Council and the Whitehorse Planning Board.

A planning contract for a major new subdivision in the vicinity of Hillcrest has recently been awarded. This new subdivision will accommodate

1 up to ten thousand people or nearly once again the present
2 size of Whitehorse. It's scheduled to have the building
3 lots available by 1979. With this addition, it is the
4 expectation of this Government and the Department of Local
5 Government that the need of the City for permanent
6 residential lots can be met adequately within the time
7 frame proposed by the pipeline project.

8 In addition, Mr. Chairman,
9 a regional land use plan for the peripheral area around
10 Whitehorse is in preparation and will be available, we
11 hope, by that time to control land use.

1 In short, Mr. Chairman, officials
2 in both Highways and Public Works and Local Government, feel
3 that the basic infrastructure is presently in place in both
4 departments to handle the problems of pipeline construction.
5 There is no doubt in our minds that there will be difficul-
6 ties, but we're confident of our ability to handle them as
7 they arise.

8 MR. CHAIRMAN: Thank you for that
9 presentation, Mr. McKinnon. Mr. Lang?

10 HON. MR. J. LANG: Mr. Chairman,
11 Members of the Commission. In my capacity of a Member of
12 the Yukon Government, I address this Inquiry on matters for
13 which I am responsible as a Member of the Executive Committee.
14 Rather than restate material which forms a part of the Yukon
15 Government's written submission, I have chosen to highlight
16 certain issues and concerns of the Yukon Government with
17 respect to my portfolio responsibilities of education, recrea-
18 tion, housing and manpower.

19 If the Alaskan experience is any
20 indication of the impact of a pipeline on education, there
21 will be an increase of school population, although minimal.
22 This could affect certain areas of our education system,
23 depending on the number of students, their grade levels and
24 the communities in which they reside. As a result, we may
25 need additional teachers to maintain our present teacher/
26 pupil ratio, as well as accommodate students with learning or

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1 behavioural problems.

2 Where normal student growth has
3 taken place over the past five years, the Department has
4 developed plans for extending school facilities. Extensions
5 to the Haines Junction and Watson Lake schools are tentative-
6 ly scheduled for next year. These must be built if major
7 developments occur in these areas. In the background sub-
8 mission, you will note that a list of schools has been pro-
9 vided with availability of space outlined for each facility.

10 The majority of our schools can
11 absorb a significant number of students, however, it should
12 be noted that if necessary, the Department can provide
13 portable classrooms in communities where school room space
14 is limited.

15 In view of the National Energy
16 Board recommendations, I have attached to my presentation
17 a complete list of the schools adjacent to the Klondike
18 highway which could be affected if a pipeline is constructed
19 along that corridor. The major educational concerns cited
20 above can be handled by the Yukon Government as long as the
21 necessary funding is available from sources other than the
22 Yukon taxpayer.

23 In addition, it must be realized
24 that by all parties, that realistic lead time for school
25 construction must be provided. Without this lead time,
26 there can be no orderly development.

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1 Recreation is under the umbrella
2 of Education. During the last Session of the Assembly,
3 legislation was enacted to provide monies for community
4 recreational programs on a cost-shared basis. A moderate
5 increase of newcomers will help the smaller communities raise
6 the monies required to take full advantage of the program.

7 It is our understanding that
8 the Applicant will provide basic recreation facilities in
9 their construction camps. This will help reduce the recrea-
10 tional load on Yukon's community facilities. The provision
11 of major capital facilities, incidently, is the responsibi-
12 lity of Local Government, a department outside of my port-
13 folio.

14 The Housing Corporation, as
15 outlined in our background submission provides for social
16 housing, but it is prepared to take the initiative by bring-
17 ing private builders, local municipal authorities and the
18 pipeline Applicant together to develop community housing
19 strategies. This will benefit communities which will have
20 permanent pipeline employess as residents.

21 I now turn to the last of my
22 portfolio responsibilities -- manpower. This is an area of
23 major interest and concern to this Government and all
24 Yukoners. The proposed pipeline project underlines the
25 importance of manpower supply. To effect the orderly supply
26 of manpower to the pipeline project, our Government has

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1 adopted a policy to ensure that Yukon residents will have
2 first access to employment and training opportunities. It
3 will also enable Yukoners to take full advantage of pipeline
4 employment.

5 Let me enunciate this policy.
6 First, qualified Yukon resident will be given preferential
7 access to all direct pipeline employment in Yukon.

8 Secondly, only Yukon residents
9 as defined, which I will elaborate on later, will be hired
10 within Yukon. Any non-Yukoners seeking employment must be
11 hired from points outside Yukon.

12 The third element of the policy
13 is the formation of a Pipeline Manpower Delivery System.

14 Now, we believe it is the per-
15 rogative of the Yukon Government to state what a Yukon resi-
16 dent is. To arrive at our definition we examined other
17 local hire practices associated with major northern develop-
18 ments. These include the Alaskan experience with their
19 local hire law, suggestions made by various parties before
20 the National Energy Board, the Mackenzie Valley Pipeline
21 Inquiry, and this Inquiry itself.

22 The Government of Yukon recom-
23 mends a three-level priority for hiring pipeliners.
24 These are: Category One, permanent Yukon residents. Cate-
25 gory Two, Yukon residents and Category Three, residents of
26 the Northwest Territories.

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1 A permanent Yukon resident is
2 defined as a person who has been registered with the Yukon Health
3 Care Insurance Plan for a period of five years, and except
4 for absences for good cause, has resided in the Yukon Terri-
5 tory on a permanent and continuing basis before the time his
6 or her status is determined.

7 You will note that I state, as
8 of the time his or her status is determined. This clause
9 means that progressively, more Yukon residents will qualify
10 as permanent Yukon residents, as their period of residence
11 in Yukon reaches five years of more.

12 The effect of this definition
13 is to provide long-term residents with preferential entry
14 into training programs which will offer access to direct
15 pipeline employment.

16 The second category, defined
17 as Yukon resident, is a person who will have been registered
18 with the Yukon Health Care Plan, as of July 15th, 1977 and
19 except for absences for good cause, resides in the Yukon
20 Territory on a continuing and permanent basis.

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This category will serve three purposes:

(1) To give preferential hire to a Yukon resident with less than five years residence in Yukon.

(2) To discourage speculative in-migration for employment on the pipeline by establishing a cut-off date of July the 15th, 1977.

(3) To allow five days for people already in Yukon to sign up with the Yukon Health Care Plan should they so desire.

Our third category gives qualified residents of the Northwest Territories, preferential hire over southern Canadian residents. This definition is subject to consultation with the Government of the Northwest Territories which are expected to start immediately. For the record, I table a complete definition of a resident.

Mr. Chairman, our local hire policy for pipeline employment is one of the most important policies this Inquiry will have to consider for submission to the Federal Government. This local hire policy should be written in to any permit of right-of-way granted to the applicant and must apply to all parties directly involved in the pipeline construction.

To ensure that Yukon residents

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1 receive the benefits of pipeline training and employment,
2 a pipeline manpower delivery system will be required.
3 Officials of the Yukon Government have to date, held formal
4 and informal discussions with a number of parties who would
5 be involved in the development of this delivery system.
6 These include the Department of Manpower and Immigration,
7 the Department of Indian Affairs and Northern Development,
8 the Applicant and the Canadian Pipeline Advisory Council.

9 In discussions with the Depart-
10 ment of Manpower and Immigration, the Yukon Government has
11 been assured that the necessary monies will be made avail-
12 able to fund the manpower delivery system. I might say
13 that excellent co-operation has prevailed between the
14 Department of Manpower and our Government.

15 This Inquiry and the recent
16 National Energy Board announcement, together with the
17 Mackenzie Valley Pipeline Inquiry, have created an intense
18 nation-wide interest in the Alaska Highway pipeline proposal
19 and in the potential employment opportunities associated
20 with it.

21 Because of this publicity, we
22 are very concerned about the possibilities of an influx
23 of large numbers of speculative job seekers. The Commissioner
24 has already outlined our position on this important subject
25 and we ask that the Government of Canada make funds avail-
26 able to mount a campaign to counteract the movements of

Pearson, McKinnon,
Whyard, Lang
In Chief

5889

1 people to Yukon. I stress that the reason for our stand
2 is not to close the door to our fellow Canadians, but to
3 ensure that people do not arrive in our territory to find
4 that very limited welfare, not jobs, greet them on their
5 arrival.

6
7 Mr. Chairman, to make all this
8 work, we must have the co-operation of labour, management
9 and government in the pipeline project. Co-operation is
10 the key factor and I close on that note. Thank you.

11 MR. CHAIRMAN: Thank you very
12 much Mr. Lang. We're going to adjourn right away so I
13 can slip out and register for the Yukon Health Care Plan.
14 Before doing that, two things. In a moment, I'm going to
15 ask Mr. Goudge to speak to the arrangements for the
16 re-appearance of this panel for cross-examination. Before
17 doing that, I would like to thank this panel - Dr. Pearson,
18 you and your colleagues, not only for appearing today and
19 agreeing to re-appear for cross-examination to put the
20 position of Government of Yukon, but more particularly
21 for the priority that I know you have given to your work
22 to accommodate the interest and the schedule of this
23 Inquiry. So thank you very much for that. Mr. Goudge?

24 MR. GOUDGE: Yes sir. I
25 propose that we adjourn now for lunch. We'll be re-
26 convening this afternoon in Carcross for the last in our
series of informal hearings because, sir, we're intending

1 to wind up the formal hearings next Friday and including
2 argument, it will be necessary for us to sit on Sunday. I
3 would propose therefore, that we reconvene here with this
4 panel for cross-examination Sunday morning at 10:30 A.M.

5 I should say sir, just before
6 we rise, that I have some additional copies of the back-
7 ground submission made by the Government of Yukon if anyone
8 would wish a copy. Secondly, there are copies available
9 in the Inquiry office of the Evidence in Chief to be given
10 by Mr. Blair, the President of Foothills Pipe Lines early
11 next week, on Sunday in fact, and there will be copies of
12 the Evidence in Chief to be offered early in the week by
13 the Yukon Association of Social Workers available in our
14 office before the end of today.

15 MR. CHAIRMAN: Mrs. Whyard and
16 gentlemen, we're sorry to inflict the punishment of a
17 Sunday morning hearing on you, but we look forward to seeing
18 you then. This formal hearing now stands adjourned until
19 10:30 Sunday morning.

20 (PROCEEDINGS ADJOURNED).
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343.093 Alaska Highway
A47F58 Pipeline Inquiry
Vol. 43

AUTHOR
Lysyk Inquiry Vol. 43
TITLE
July 8, 1977 Whitehorse, Y.T.

DATE DUE

BORROWER'S NAME

343.093

A47F58

Vol 43

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE INTERESTS IN THOSE AREAS OF TERRITORIAL LAND IN THE YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUCTION AND OPERATION OF THE SAID NATURAL GAS PIPELINE AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K.M. LYSYK, Esq., Q.C.

CHAIRMAN

WILLARD PHELPS, Esq.,

MEMBER

MRS. EDITH BOHMER,

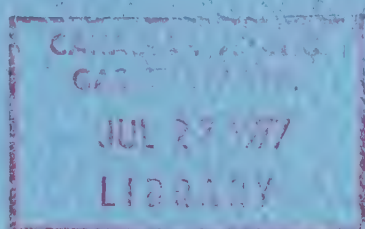
MEMBER

A R G U M E N T

VOLUME 50

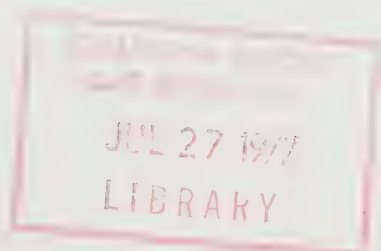
WHITEHORSE, Y.T.

JULY 14th, 1977



APPEARANCES

1 Stephen Goudge, Esq.	Commission Counsel
2 Ian Roland, Esq.	
3 A Hollingworth, Esq.	Appearing for Foothills Pipe
4 R. Gibbs, Esq.	Lines (Yukon) Ltd.
5 R. Hudson, Esq.	
6 R. Mackie, Esq,	
7 D. Joe, Esq.	Appearing for Council for
8	Yukon Indians
9 G. Ellis, Esq.	Appearing for Yukon Trans-
10	portation Association
11 D. Morrison, Esq.	Appearing for the Whitehorse
12	Chamber of Commerce
13 Ione Christensen	Appearing for the Association
14	of Municipalities and the
15	City of Whitehorse
16 Sid Horton, Esq.	Appearing for the Yukon
17 Al Wright, Esq.	Territorial Government
18 John Bayly, Esq.	Appearing for the Yukon
19 Rob McCandless, Esq	Conservation Society
20 Hector McKenzie, Esq.	
21 Carson Templeton, Esq.	Alaska Highway Pipeline Panel
22 Ms McPherson	Yukon Association of Social
23	Workers
24	
25	
26	



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1 Whitehorse, Yukon Territory

2 July 14th, 1977

3 FINAL SUBMISSIONS

4 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

5 MR. CHAIRMAN: Ladies and
6 gentlemen, we are ready to proceed now. May I ask you to
7 take your seats and I'll ask Mr. Goudge to take us through
8 the list.

9 MR. GOUDGE: Yes, Mr. Chairman
10 and members of the Board, we are now at the stage of the
11 Inquiry where the participants will be making final
12 submissions to you. We have agreed amongst Counsel as
13 to the order of those submissions and I put that order on
14 the Record yesterday; just to remind everyone, we will commence
15 with Foothills Pipe Lines and the Council for Yukon Indians,
16 then the Whitehorse Chamber of Commerce, then Mr. Templeton
17 for the Alaska Highway Pipeline Panel, and Mr. Bayly for
18 the Yukon Conservation Society, and with that will be the
19 presentation of the Yukon Association of Social Workers
20 and Mr. Horton for the Government of Yukon, and finally I
21 will have some remarks to address to you.

22 That would conclude our day.
23 Tomorrow I would propose commencing with reply submissions
24 in mid-morning and reversing the order, with the exception
25 of Commission Counsel, which would again come last.

26 I should also indicate to the

1 participants that we have made arrangements to expedite the
2 transcript of this afternoon's proceedings and I have been
3 advised that the transcript will be available some two to
4 three hours after we conclude.

5 So, with that, sir, let me ask
6 Mr. Hudson on behalf of Foothills Pipe Lines to begin please?

7 ARGUMENT BY MR. HUDSON:

8 MR. HUDSON: Mr. Chairman, Mrs.
9 Bohmer and Mr. Phelps, this final submission to this Inquiry
10 formed to provide a preliminary socio-economic impact
11 statement concerning the construction and operation of the
12 Alaska Highway Pipeline, will address itself only to a
13 limited number of several topics raised during the
14 proceedings.

15 The evidence has been recently
16 taken and is fresh, you have received a large volume of
17 written material which you must consider, and you have
18 gathered much information and insight outside of the formal
19 hearing room.

20 Foothills Pipe Lines (Yukon) Ltd.
21 operating within the provisions of the National Energy
22 Board Act has provided to that Board and to you a socio-
23 economic statement and additional written and oral
24 evidence required to satisfy that Act and Regulations.
25 This document and the evidence that came after fulfills
26 those requirements and has been so found by the National

1 Energy Board. The Government of Canada has recognized the
2 rapidly increasing desire by many Canadians to enlarge on
3 the Statutory requirements and has structured specific
4 inquiries to examine socio-economic and environmental
5 matters which relate to this project.

6 Foothills Pipe Lines (Yukon) Ltd.
7 has fully and attentively contributed in the proceedings of
8 this Inquiry as a major participant. It has never been
9 held out by Foothills that the socio-economic statement
10 and evidence filed with the National Energy Board contained
11 all the answers, nor indeed all the questions. More was to
12 be done in the exercise of responsible management, even
13 without, Mr. Chairman, such an Inquiry as yours.

14 The opportunity provided by this
15 Inquiry to identify and deal with socio-economic matters in
16 public forum is welcomed. The allegations, however, that
17 sufficient work has not been done are not correct. It is,
18 and has been, fully recognized by the applicant at all
19 times that more work was to be done and will be done. No
20 doubt, Mr. Chairman, in large part as recommended by this
21 Inquiry.

22 Without meaning to be simplistic
23 it is my submission that the principle socio-economic implica-
24 tions of a negative type appear to be firstly the
25 anticipated excess in-migration and inflation, and the
26 impacts which result therefrom.

1 Much has been said on the subject of the anticipated
2 quantitiy of in-migration and the method of estimating it.
3 Appropriate multipliers, definitions of direct secondary
4 induced, indirect related employment, and work force.
5 All of these have been the subject of much testimony and on
6 all sides, under much scrutiny.

7 In our submission it is reasonable
8 to expect that the programs outlined by Foothills including
9 without specifying them all that the self contained camps
10 and the advertising campaign will have a significant effect
11 on this factor but we do concede it is not easy to make this
12 estimate.

13 These are matters of expert
14 opinion subject to many variations for many reasons. I
15 was impressed with one phrase used, that by Mr. Sharp of
16 "fudge figures" as being a tool used to come to this con-
17 clusion.

18 Evidence discloses, Mr. Chairman,
19 that excess in-migration certainly has the potential of
20 bringing a stress on the supply of services such as educa-
21 tion, health, welfare, public assistance, public safety,
22 municipal services and communities, to name a few.

23 And to further stress on the
24 patterns of life on the members of the community. Overcrowd-
25 ing, increased personal encounters, increased concerns for
26 safety preservation, the preservation of a lifestyle and for

1 continuation of human relationships.

2 Inflation can result in an impact
3 on persons unable to keep up with that rate of inflation
4 and a dislocation of the economic structures of the community
5 which act also to the social detriment of the community.

6 Positive socio-economic impacts,
7 in my submission, can be seen in a provision of greatly
8 increased tax and other revenues to the government not only
9 of Yukon but of Canada, and these two last in my submission
10 over an extended period of time. The creation of jobs,
11 both short term and long term, the potential for the up-
12 grading of the skills of the local work force at all levels,
13 the reduction of the need for public assistance as a result
14 of fuller employment and increased wages, the introduction
15 of an advantageous energy source, an impetus to the
16 economy which can result in a broader scope of commerce to
17 the benefit of those using that commerce. And a long term
18 population increase, and by this I refer to the operations
19 phase, spread over a large area of the Yukon Territory.

20 And a further benefit is the
21 opportunity that is being made available on the policy of
22 the applicant for equity participation on a first hand
23 basis by all northerners.

24 These impacts, positive and
25 negative, are not mutually exclusive within themselves and
26 in fact, interact to a large degree.

1 In our submission this project
2 affords the opportunity through positive planning and
3 action, to insure that the positive outweigh the negative.
4 We have heard a great deal of past impacts here and else-
5 where, but one strain appears to be constant in those
6 examples and that is that in no case was there anything
7 approaching the planning that is already been set in motion
8 by the briefs and presentations presented to you and has
9 been urged upon you by those presenting them.

10 The continuation of this process
11 of planning in a positive faction, with cooperation
12 by all concerned can serve very much to minimize the negative
13 impacts thereby, in my submission, maximizing the positive.
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1 which can only have the effect of significantly reducing
2 the in-migration that might otherwise occur, if the co-
3 operation of the involved labour groups in the hiring
4 practices and the labour management relations that proceed
5 on this pipeline.

6 Many of these, Mr. Chairman,
7 you will recall and I mentioned that as I went through,
8 have the support and are indeed adopted and in some cases,
9 are initiated by the Territorial Government with I submit,
10 in the delivery of them, a great deal of emphasis and
11 positive approach.

12 The Alaskan experience has
13 been the subject of much evidence. Without, Mr. Chairman,
14 acknowledging the total validity of the comparison, we
15 urge upon you that in determining what that impact was,
16 that you consider the nature and quality of the evidence.
17 Evidence of the panel composed of Ms. Fison, Mr. Kruse
18 and Mr. Baring-Gould, commends itself in my submission,
19 by its balance and objectivity.

20 From it, we see that in many
21 cases, anticipated impacts did not materialize and other
22 impacts could have been avoided by planning and greater
23 communication and consultation over a longer period of
24 time. The type of evidence given by this panel, is
25 surely to be preferred to evidence which consists of a
26 conclusion drawn from limited data and second and un-

1 documented reports.

2 Isolated facts have been
3 frequently cited to prove a proposition in connection
4 with these impacts in Alaska, that proposition being much
5 wider than merited in my submission and we urge you, to
6 accept that methodology, would be wrong insofar as an
7 assessment of those impacts is concerned.

1 Then, in determining impacts, it
2 is interesting to note, Mr. Chairman, the apparent willing-
3 ness of that State to see a pipeline constructed.

4 We submit to you as well, that
5 the Alaska experience should not be assumed to be totally
6 valid comparison by reason of the many differences that
7 exist. I've mentioned the evidence that's come before you
8 of the lack of planning which took place in Alaska.

9 There is evidence by Mr.
10 Boorkman, I believe, and others of the unwillingness of
11 the population in Alaska to plan or to receive direction,
12 that they are much more likely to require a laissez faire
13 atmosphere in which to operate.

14 And, to the contrary, in my
15 submission, the evidence before you is that in the Yukon
16 there is a population more concerned mitigative measures
17 than was the case in Alaska in 1972 and 1973.

18 A further difference, I submit
19 to you, is the smaller manpower need for this project than was
20 the case in Alyeska and the related work that is going to
21 be going on in B.C. and Alberta at the same time.

22 We urge upon you as well the
23 geographical differences insofar as the proximity to the
24 country to which each jurisdiction belongs. The Yukon is
25 directly adjacent to the balance of Canada and the distance
26 between Alaska and the lower 48 is, we submit a substantial

1 difference in the assessment of the quantative in-migrant.

2 And there are also many project
3 related differences which I've already referred to.

4 In this regard, insofar as the
5 assessment of impacts is concerned, we refer you to the
6 evidence of the construction programs of Westcoast Trans-
7 mission, of a similar nature and with a very different and
8 much less traumatic experience. And we urge upon you the
9 reasonable conclusion that these arise out of the geograph-
10 ical differences and the differences of the populations that I've referred
11 to.

12 In this connection, you have
13 heard from the mayors of Fort Nelson and Fort St. John,
14 in British Columbia.

15 The evidence with relation to
16 Fort McMurray, although different in many respects by
17 reason of a large permanent population increase, is occur-
18 ring at the same time, is nonetheless significant in that,
19 with a camp of six thousand six hundred workers in the
20 near proximity, the social and economic impacts seem to
21 flow from the operation and maintenance aspects of that
22 project and that potential extractive plant, and not on
23 the evidence of Mr. English, I believe Dr. Pratt as well,
24 from the construction personnel in the camps.

25 The data attached to the
26 evidence of Mr. English, in my submission, did not disclose
a social disturbance of great magnitude and I draw to your

1 attention, although there were increases, the minimal
2 numbers that there were there referred to, in my submission,
3 absent the housing problems caused by the rapid influx of
4 operating personnel.

5 The construction period in the
6 Fort McMurray example does not seem, on the evidence, to
7 be causing an impact of unmanageable proportions to the
8 people there.

9 I submit, Mr. Chairman, that
10 the evidence discloses a reason for taking a positive view
11 on impacts to be expected and the capability to mitigate
12 them.

13 We submit that it is that
14 positive view that is the preferred course of action.

15 With respect to the native
16 peoples, we recognize, as has been stated, their desire to
17 retain their culture and in particular, to retain the free
18 option and opportunity to continue to live their tradi-
19 tional way.

20 In our submission, the physical
21 fact of the pipeline will neither impede nor prevent the
22 accomplishment of these goals.

1 And aspirations refer to the
2 evidence of Mr. McKinnon in that regard. The disruption
3 of the food source for those who do wish to continue
4 with the traditional way of life by the pipeline operation
5 is being addressed of course, as well, by Dr. Hill's
6 Board.

7 In our submission, the effect
8 on the evidence will be very closely localized and would
9 be manageable without material disruption. With regard
10 to native employment, the evidence we submit, discloses
11 that the fears of the native people of the lack of
12 opportunity to share in the economic benefits they may
13 perceive, need not come true.

14 Training will be provided
15 and counselling will be available as is disclosed in the
16 evidence. Miss Scott from the Nortran Panel, in some
17 measures, gave examples of the type of program to which I
18 refer.

19 It should be pointed out that
20 these opportunities will apply both to the construction
21 phase and the operation and maintenance phase. In
22 connection with the lands claims and relationship to the
23 pipeline, the position of Foothills was expressed on
24 Monday last and is set out in page 6258 of the transcript
25 of these proceedings in the testimony of Mr. Blair.

26 Evidence has been presented

1 of the difficulties presented to villages when the people
2 went away to work on the pipeline. I submit that it is
3 not at all clear to what extent this is a potentiality in
4 the Yukon or to what its dimension would be if it happened
5 but I do submit what is clear is that we have the lessons
6 of Alaska, we've heard of it and the circumstances which
7 led up to the problem. In my submission, it's a situation
8 that can be resolved by proper arrangements made in
9 advance.

10 There have been a large
11 number of social impacts predicted to result from the
12 pipeline and substantial expenditures predicted to prevent
13 them or to respond to them is predicted. It is to be
14 hoped that in so speaking, there does not arise a tendency
15 to accept as inevitable, those predicted impacts.

16 Rather, it is hoped that
17 through planning, consultation, co-operation and the
18 structuring of appropriate mitigative steps, the social
19 impacts can be avoided and rather than be suffered and then
20 compensated for, or treated.

21 Foothills has no intention of
22 disregarding any prediction of social impact, but the
23 danger of them becoming a self-fulfilling prophecy should
24 be considered. Such predictions or assessments should be
25 viewed in the light of the likelihood of the impact
26 being avoided and to the extent that it cannot be seen to

1 be avoidable, it may then be considered an impact to be
2 prepared for and a calculation of the costs take place.

3 The subject of impact funding
4 or impact compensation is considered with care. This is
5 a matter of considerable complexity. The evidence of Dr.
6 Pratt described the complexity in terms of the difficulties
7 involved in attributing particular impacts in whole or in
8 part to the project.

9 When such conclusions are
10 reached in his evidence, the calculation is to be made so
11 that such costs in excessive increased public revenues
12 generated by the project may be charged. The further
13 vexing question is raised as to the preservation of the
14 traditional function of government in providing public
15 services and paying for them out of public funds.

16 More than one witness spoke
17 of the dangers of direct payment to the impacted and the
18 possibility of resulting confusion in the respective roles
19 of government and the developer. It has always been the
20 position of Foothills that they will compensate persons
21 for damage attributable to the project. This policy is
22 outlined in the undertakings filed, Mr. Chairman, with
23 the Board.

24 It's the document dated
25 April 7th, 1977, and on page 9, the following:

26 "Foothills will be responsible for all costs

1 which can reasonably be traced to its project .

2 While certain costs will be easily traceable
3 to the project, it will be difficult to deter-
4 mine to which other costs should be assigned
5 to the project, if at all.

6 Foothills believed that a procedure must be in
7 place for allocating the impact costs prior to
8 the commencement of construction. Foothills
9 is prepared to work with the appropriate
10 government agencies in order to establish such
11 a position."

12 This is the policy filed.

13 The National Energy Board has dealt with this in their
14 ruling. This subject is however, very complex and un-
15 controlled and unreasonable claims of a project cost
16 must be viewed in the light of the whole economy. In
17 this case of course, responsibility becomes a two-way
18 street.

19 Mr. Chairman, there are of
20 course, many other matters dealt with in the evidence
21 before you. We intend to address fully, those raised by
22 others in our reply.

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Mr. R. Hudson
Argument
Mr. D. Joe
Argument

7175

1 In closing, we would refer you to
2 the undertakings of Foothills filed with you, in our view,
3 the fulfillment of these undertakings are a key to the
4 maximizing of the benefits, and minimizing of the negative
5 impacts that may be taken from the evidence called before
6 you.

7 Mr. Chairman, thank you for your
8 attention and thank you for the hearing of this matter by
9 the -- the evidence called by my client, thank you.

10 MR. CHAIRMAN: Thank you Mr.
11 Hudson.

12 MR. GOUDGE: Thank you Mr.
13 Hudson. Here members of the Board, next would be Mr.
14 Joe representing the Council for Yukon Indians. Mr. Joe?

15 ARGUMENT BY MR. JOE:

16 MR. JOE: Mr. Chairman, I would
17 like to express my thanks to my friend John Bayly for
18 providing the podium without which I would have difficulty
19 arranging my papers here.

20 What I plan to do Mr. Chairman,
21 on behalf of the Council for Yukon Indians, is read from
22 the Summary and in order to be of assistance to the Board,
23 I am also filing a larger text, which is supplementary to
24 the assistance of the Board in terms of understanding our
25 full argument.

26 If I can proceed right into the

1 summary.

2 (SUBMISSION OF COUNCIL FOR YUKON INDIANS,
3 JULY 14/77, MARKED AS EXHIBIT NUMBER 166)

4 MR. JOE: Mr. Chairman, this
5 Inquiry is mandated to advise the Government of Canada of
6 the socio-economic impact of the proposed pipeline through
7 the Yukon along the Alaska Highway.

8 We submit to you that the
9 Foothills proposal is incidental to the issues you must
10 address to responsibly advise the Government of Canada.
11 However, we recognize and appreciate that this Inquiry is
12 one of the first opportunities that we have had to
13 acknowledge the overwhelming human cost of national policy
14 decisions. As such we may be at a fulcrum with a tenuous
15 balance that policy making will tip and adjust in
16 response of direction. To be instrumental in tipping
17 this balance, we urge this Inquiry to strongly recommend
18 to the Government of Canada that all pipeline proposals
19 through the Yukon be dismissed at this time.

20 We maintain that the evidence
21 before you strongly supports this recommendation.

22 First, you have heard from both
23 native and non-native Yukoners that land claims must be
24 settled prior to major development of the Yukon. Without
25 a land claim settlement ensuring native rights, we
26 maintain that the human costs will fall predominantly to

1 the Yukon Indian people, while the benefits will fall to
2 others, including the Americans.

3 Such a conscious sacrifice of
4 a people is intolerable to us as it must be to you and to our
5 government. Furthermore, implicit in the applicant's argument
6 is the idea that large scale energy projects are per se
7 the public interest. Since energy use has always been
8 positively related to our quality of life, but in fact
9 patterns of high energy consumption jeopardize our quality
10 of life directly. In the case of the Yukon Indian people
11 indirectly by energy projects themselves.

12 Ironically, this project will in
13 no way augment Canada's own energy supplies. It can even
14 be argued that Canadians will be providing an energy
15 subsidy for the construction of a transport system for
16 American consumers. Alternative uses of the capital
17 required for this project have not been adequately
18 investigated, and there should be time for that. Full
19 evaluation of this proposal must be made in comparison
20 with alternate proposals.

21 You have heard substantial
22 evidence that this proposal is not in the Canadian interest.
23 We have argued that it will severely jeopardize and
24 prejudice our land claim settlement and the implications
25 of not fully appreciating our aboriginal title to this
26 land, will have far reaching effects on the constitutional

1 future of Canada.

2 Public interest would be better
3 served by the pursuit of a just and long term policy which
4 does deny the basic human rights of native people. There are
5 two broad areas in which the applicant demonstrates deficiencies
6 in evidence. These are:

7 (1) lack of assessment done on
8 the impacts of the proposed project, and

9 (2) the nature of proposals
10 and that the suggested advantages offer little to the native
11 people.

12 Onus of proof for this project
13 rests entirely with the applicant and the question of
14 who benefits, who pays, has led us to believe that it is
15 Foothills who benefits and the native people who pay.

16 Therefore, it is the applicant's
17 responsibility to present sufficient information to determine
18 the impacts of this project, something which we submit has
19 not been done, and theretofor , the burden appears to have
20 been on the native people to demonstrate that the pipeline
21 construction, prior to settlement and implementation of
22 land claims, will be prejudicial to those claims.

23 Second, we submit that a
24 deferral on northern pipelines to allow time for a non-
25 prejudiced settlement of land claims is in the interests
26 of Yukon Indian people and is also in the Canadian national

1 interest. A responsible deferral would allow us to
2 collectively evaluate our pattern of energy use and to evolve
3 a rational and just Canadian energy policy without prejudice
4 from American interests.

5 Third, evidence presented in
6 this forum has exposed a rashly conceived proposal supported
7 only by shallow and blatantly irresponsible socio-economic
8 assessment of the potential impact. To consciously
9 exercise your mandate, you must advise the government that
10 the gross inadequacies of Foothills proposals have
11 undermined their own credibility and to recommend to them
12 that no consideration be given to a trans-Yukon route
13 until comprehensive assessments are available.

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1 In advising the Government of
2 Canada in the above manner, Mr. Chairman, you will have the
3 full support of the Council for Yukon Indians. We will
4 now present our position to you.

5 Our position must be viewed in
6 the context of land claims and some understanding of our
7 claim is first necessary. The Indian people of the Yukon
8 have never ceded or surrendered their lands and they have
9 never signed a treaty with the Government of Canada.

10 Therefore, as an unconquered
11 people, we presently have aboriginal rights to this land
12 and these rights are legal and recognized claims. Our
13 claim expresses our intention to retain our values to remain
14 as a part of this land and to secure a political and economic
15 base from which we can mutually progress with the rest of
16 the Canadian society.

17 A land claims settlement will
18 provide an economic, political, social and cultural framework
19 within which our people will be able to choose the kind of
20 future we want and control our own way of life.

21 Settlement is not just compensation
22 of or return of our land but the democratic right of
23 self determination. The Council for Yukon Indians has taken
24 a unique position in relation to the village of Old Crow.
25 This area and it's people are much more susceptible to per-
26 manent change and damage due to disturbance than elsewhere

1 in the Yukon.

2 As such, there are different
3 social, economic and political implications to consider on
4 behalf of the Old Crow people than for our other communities.

5 You have seen and heard the way
6 the Old Crow people live, their love for their land, their
7 dependence on Crow Flats and the Porcupine caribou herd and
8 the need for them to control their way of life and the
9 environment with which they life in such close harmony.

10 To this end, we submit that the
11 drainage basin of the Old Crow River, which includes the
12 Old Crow Flats, be preserved for their exclusive use in
13 perpetuity, that the Porcupine caribou herd not be jeopardized
14 by Dempster lateral and that it remain in the existence
15 under the stewardship of the Old Crow people.

16 The position of the Council for
17 Yukon Indians is that of a deferral on northern development.
18 This deferral is justifiable for two reasons.

19 First, a just and equitable
20 of land settlement truly reflective/and responsible to the goals
21 and aspirations of the Yukon Indian people will take time.

22 Second, and the Canadian national
23 interest, the time gained will allow the evolution of a
24 rational and just energy policy. We are confident that
25 the present process towards settlement adopted in negotiations
26 will lead to a just and equitable settlement and we reject

1 the suggestions by Foothills president Mr. Robert Blair,
2 that pipeline development will constitute a catalyst to
3 expedite such settlement.

4 We see it rather, as negotiating
5 as Hugh McCullum described, "a gun at our head." We
6 require time to fully involve each individual in our
7 communities and the native people themselves have told your
8 of our need for adequate time. They have explained how,
9 with the prospect of an imminent land claims settlement,
10 our people are, again, coming together.

11 Allowing a pipeline to go through
12 before settlement would mean the breakup of the unity and
13 reorganization that was forfeited with the construction of
14 the Alaska Highway. It would mean that a loss of everything
15 recently gained through attempts at restoring our loss of
16 culture. It would mean the loss of the only security we
17 have.

18 We are seeking to establish
19 native curriculum in our schools. We are seeing more
20 young people becoming interested in the ways of the land.
21 We are unearthing past customs such as the Potlatch, and
22 we are, through an incorporative society know as Yukon
23 Indian Future's Planning, setting up the means for responsible
24 planning in our communities.

25 A delay in pipeline construction
26 will permit us to shape and chart our own future and to

1 assessing the impacts of it's proposal. This regional
2 approach incorporating averaging techniques has neglected
3 to consider the special cases of various minority groups.
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1 It is mediocre to consider the sufficiency of study prior
2 to specific recommendation, to specific considerations and
3 understanding of special native situations.

4 We fear the impacts of a
5 pipeline for our people. Mrs. Flo Whyard has forewarned
6 that, "A family which has problems now, will probably have
7 more problems because of a pipeline project." That quote
8 can be found at page six thousand and one of the transcript.

9 The native impact is acknow-
10 ledged further when Mr. Blair concedes that, "The effects
11 on an Indian settlement would probably be negative." And
12 that can be found at page six thousand two hundred and
13 seventy.

14 In other projects, Mr. Blair
15 says, "We might have overlooked things just through a lack
16 of sensitivity". That is at page six thousand, three
17 hundred and twelve.

18 We submit this may well be the
19 case in the Yukon. The negative impacts which Indian
20 people themselves have cited as those they fear, but which
21 they are being imposed upon to face if this pipeline is
22 approved are numerous.

23 Increased availability and
24 access to alcohol and drugs will result in a collapse in
25 the system of community sanction, as well as a disintegra-
26 tion of values and standards in our communities.

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We could also expect a related increase in violent crimes.

An increase in outsiders coming to our villages will mean a pronounced shift in the control of the community to those who are more unfamiliar with and insensitive to the values of the Indian people.

Traditional lifestyles involving fishing, hunting and trapping will be disrupted and the general inability of our people to adapt to the rapid rate of change imposed by this pipeline will bring mental health problems to our communities.

An in-migration of large numbers of people will mean that our children will be taught more southern education values in lieu of the native oriented curriculum and that teacher/student ratios would drop. And that in the case of Old Crow, the school operation itself, which presently parallels and compliments the trapping and hunting lifestyle may change drastically.

Greater stress on the on Moiety system of the Indian people will diminish extended family relationships and increase the rate of family breakdowns.

This pipeline would induce native leaders to leave their communities for temporary jobs, leaving the villages without leadership and those skilled to run essential services.

Welfare would increase with the

1 shift from traditional economies to temporary employment
2 on large-scale developments.

3 All Alaska Highway communities
4 are presently serviced by truck transportation and these
5 costs would escalate.

6 Due to excessively high wages
7 and inability to keep construction money out of the neigh-
8 boring villages, the general cost of living would increase
9 and would especially effect low and fixed income families.

10 Indian people do not have the
11 necessary skills and training to take advantage of the
12 opportunities for the increased business activities result-
13 ing from a spin-off effect of the pipeline related employ-
14 ment. Other kinds of developments will be forgotten in the
15 rush to match and compete with the magnitude of the pipeline
16 itself.

17 Increased exploration for oil,
18 gas and mineral deposits heap additional impacts on our
19 communities.

20 The Council for Yukon Indians
21 has previously stated its opposition to any pipeline
22 effecting the Porcupine caribou herd and this includes the
23 Dempster Lateral.

24 We submit the Old Crow Indian
25 people should not be jeopardized and indeed that our
26 national interests would be enhanced by respecting these

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1 people and their traditional way of life.

2 It is totally unacceptable to
3 impose such a massive project on us without allowing us the
4 opportunity to assess the so-called energy demands of the
5 Americans nor the questionable reserves in the North.

6 The expanded guidelines for
7 northern pipelines in 1972 assume that the first major pipe-
8 line development in northern Canada will be developed subse-
9 quently as an energy and transportation corridor. Hence,
10 the guidelines required that the applicant consider the
11 potential impacts of subsequent development in the energy
12 corridor.

13 We submit that there has been
14 no evidence regarding the longer term impact on the Yukon
15 of consequential developments and that this evidence is
16 essential to assess adequately the applicant's proposal and
17 the cumulative socio-economic benefits and costs to the
18 Yukon.

19 We submit that the failure of
20 the applicant to provide this evidence or even to acknow-
21 ledge this responsibility prevents this Board from deciding
22 in favour of this proposal as such consequential development
23 has not been shown to be in the best socio-economic interests
24 of the Yukon.

25 Fundamental to the inadequacies
26 of Document Five is the narrow and optimistic view held by

1 Foothills' consultants in predicting impact based on a
2 minimum project demand.

3 We submit that the credentials
4 of the consultants retained to prepare Document 5A have
5 never been put before this Inquiry. Instead, we have dealt
6 with spokesmen for the research. We have witnessed obvious
7 misquotes and errors on their part, while any interveners
8 have been required to illustrate high levels of expertise
9 before commenting on the conclusions of this questionably
10 and unaccountable group of consultants working for Foothills.

We submit that an impact assessment with claims as questionable as those Foothills

1 suggest, can only lead to rejection on terms of inadequacy
2 and deficiency. Foothills has suggested employment oppor-
3 tunities as one of the major advantages of this project
4 and appear to be advocating further transition from
5 large additional subsistency living, consistent with our
6 philosophical objectives, a life tied to the wage economy.

7 Indian people could expect
8 little more than menial labour because of the rapidity
9 with which this development is slated to progress.

10 Training available through the Nortran Program means that
11 young Indian people must leave Yukon for Alberta and
12 acculturation to southern values, along with opportunities
13 to capitalize on their pipeline-related training in the
14 future, may encourage them to stay in the south.

15 The limited type of employment
16 which is offered by the pipeline industry, would not have
17 a stabilizing effect on our communities. As we have
18 stated earlier, would affect existing social sanctions
19 and traditional values related to the traditional Indian
20 economy.

21 Yukon Indian people are
22 unlikely to benefit from Foothills proposal to provide
23 natural gas to communities, since the majority of the
24 native people along the Alaska Highway, presently use
25 wood as their main source of fuel. The cost of conversion,
26 plus the cost of using natural gas, would discourage

1 Indian people from opting for it.

2 The prevalent expectation
3 that a pipeline will bring development and diversity to
4 the Yukon's economy is unjustified. Given time, many of
5 our people will desire the opportunity to participate
6 meaningfully in a mixed economy which they initiate and
7 control. This pipeline will do little to encourage small
8 business.

9 Mr. John Olthuis stated under
10 cross-examination, that opportunity costs are high for
11 small scale entrepreneurs as higher rates of interest are
12 paid to monies invested in large businesses. The sheer
13 size of a pipeline project will detract from dealings
14 with small local firms, whose limited inventory could not
15 effectively adjust to weekly and daily demand fluctuations.

16 We submit that there are
17 better uses for Canadian capital than spending dollars and
18 lifestyles in the Yukon and having the money returned to
19 southern suppliers. Alternative uses of this capital
20 that would better benefit the people of the Yukon, have
21 not been investigated.

22 We maintain the position that
23 the applicant is wholly responsible for the economic and
24 social costs which attend the pipeline project. We
25 assert that the applicant must meet the total increase in
26 economic costs, both to the Yukon Territorial Government,

1 the Federal Government and through individual people.

2 We find it inconceivable that
3 the applicant would compensate for all project-related
4 damages, given that it does not perceive what we view as
5 negative impacts as items of noteworthy significance. Even
6 if economic costs could somehow be compensated for, we
7 feel that the social costs to the Indian people attending
8 the pipeline proposal, are prohibitive and in all cases,
9 beyond compensation.

10 Witnesses in both the formal
11 and the community hearings have informed this Board of
12 the potential for family and community breakdown, loss
13 of leadership, loss of momentum in economic development
14 and self-determination, personal injury and rape.

15 In short, the human costs
16 of this project amount to cultural genocide. We submit
17 that as such, it is impossible for this Inquiry to enter-
18 tain the applicant's proposal for compensation with any
19 seriousness. As this applicant clearly cannot discharge
20 its responsibility to meet the social costs of the
21 project, we submit that this Inquiry is unable to
22 recommend an approval in principle for Foothills (Yukon).

23 In conclusion then, Mr.
24 Chairman, we submit that the evidence before this Inquiry
25 has failed to establish a positive Canadian contribution.
26 Furthermore, the national and regional socio-economic

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1 impacts are so clearly negative that this Inquiry should
2 recommend to the Government of Canada that the pipeline
3 not be built because it is contrary to the socio-economic
4 interests of Canadians, both northern and southern.

5 That concludes the submission
6 on behalf of the Council for Yukon Indians, Mr. Chairman.

7 MR. CHAIRMAN: Thank you
8 Mr. Joe.

9 MR. GOUDGE: Yes, next sir,
10 is Mr. Morrison on behalf of the Whitehorse Chamber of
11 Commerce.

12 ARGUMENT BY MR. MORRISON:

13 MR. MORRISON: My friend Mr.
14 Joe is going to be a hard act to follow.

15 Mr. Chairman, members of
16 the Commission, we have heard over the past three months,
17 a great number of people presenting their cases to this
18 Inquiry. We've also experienced the beginning of some-
19 thing that Mr. McKinnon pointed out in his personal
20 presentation that Yukoners are the best ones to solve
21 their own problems.

22 We firmly believe this to be
23 a true assessment and through the hearings held by your
24 Board Mr. Chairman, Yukoners are, we feel, coming together
25 on this issue.
26

1
2 The Chamber of Commerce has
3 learned a great deal during the past three months as we
4 are sure has everyone else. It has become apparent that
5 the arguments to be made both for and against the pipeline
6 can be appreciated in some small way by those who both
7 support construction and those who oppose it.

8 To be specific, we have heard
9 arguments which have dwelled on the mass influx of in-
10 migrants and the damage they will do to the socio-economic
11 structure of the Territory. The one thing we have not
12 seen is a figure which clearly proves in-migration.

13 Nobody has come up with an
14 acceptable calculation especially if you consider that none
15 have been quoted as fact, rather are qualified by the
16 general statement estimate. It is difficult on that basis
17 to accept that the efforts proposed by the applicant will
18 not assist in determining excess in-migration.

19 It is our opinion that the southern
20 hiring centres coupled with the Territorial Government's
21 definition of a Yukon resident will help to deter in-
22 migration. There will, of course, be some in-migrants but
23 this is necessary as all the evidence presented has agreed.

24 Yukon, and specifically White-
25 horse can accomodate a certain in-migration as you can
26 clearly see. The Territorial Government has stated that
they can handle the project without much effort. The

1 business community also feels it can accommodate the increase
2 in activity anticipated by the project, both in terms of
3 in-migration and business in general.

4 In this respect, we have heard
5 totally unsubstantiated opinions of persons, who while they
6 know nothing of the Yukon's economy, have tried to tell us
7 what was best in terms of our own economic good.

8 It is difficult, Mr. Chairman,
9 to understand the thinking behind these proposals and we
10 are sure you will agree with our position in this regard
11 and listen to the opinions of Yukoners. The people of
12 Yukon know what they want and what is best for our future.

13 Through our participation in
14 this Inquiry, Mr. Chairman, we have presented our thoughts
15 as to the pipeline. We have, in doing this, delineated
16 certain benefits which we feel the pipeline may bring to
17 Yukon. We do not plan to go through these in detail but
18 do wish to touch on some of them.

19 In previous appearances we
20 provided an appendix which dealt with the advantages of
21 electrifying the pipeline in future years. This is an im-
22 portant aspect, Mr. Chairman. The proposal as viewed
23 by the Chamber is, in fact, practical and is far from
24 nonsense as some may propose. Our most abundant and valued
25 possession is our renewable resources, yet, up until now,
26 we have concentrated on developing our non-renewable resources.

1 The pipeline may, in fact, afford the opportunity we need
2 through which we can open the door to our renewable
3 resource sector. It has been stated over and over again
4 that our economy is narrowly based and needs to be diversi-
5 fied. It has also become apparent recently that we are
6 experiencing economic difficulties. And with the prospect
7 of three of our four producing mines closing within the
8 next five years our problems are certainly magnified.

9 There are those who will argue
10 that Yukon should look at something other than a pipeline
11 to boost it's faltering economy. To be realistic, this
12 is to say, very difficult. And there remains the question
13 of how we support ourselves in the meantime. You may feel
14 that this is a selfish statement and it may be, but we feel
15 we have that right. Yukon is our home and we want to stay
16 here. But a strong economy is necessary if everyone here
17 today can, in fact, afford to stay tomorrow.

18 We are not saying the pipeline
19 is the be all and the end all to our economic problems
20 but we do feel that it will be a substantial help and will
21 provide benefits.

22 It is true we have put forward
23 certain concerns and controls we would like to see. This,
24 in our opinion, is not unusual, moreso, it illustrates our
25 appreciation of a very special part of this country and our
26 reasons for living here. We do not think these proposed

controls mean that the pipeline is a negative situation, but, rather they are an expression of how Yukon can attempt to maximize the possible benefits that might be realized and we do want to maximize the benefits to insure the project is a plus for Yukon.

The question of native land claims has been spoken to by several groups during this part of the formal hearings. As one of these groups, we have presented what is intended to be a pragmatic and positive approach to a complicated matter. The Chamber of Commerce is most serious in our intent in relation to the native claims question. It is not our proposal to prejudice a claim but rather to provide an avenue through which the claims negotiations can continue in a positive manner and also create a situation where all Yukoners -- whereby all Yukoners can benefit.

In this respect, Mr. Chairman, we would also refer you to Doctor Pratt's evidence regarding the Syncrude project. There is no reason for the Chamber to block a native land claims negotiations process, there is, however, numerous good reason for us to examine what we see as a beneficial project in terms of the entire population. It has been outlined that Yukoners as a whole want to see the claims settled and we have stated this on several occasions.

Some people say the native people

1 cannot benefit if a pipeline precedes a settlement. The
2 Chamber of Commerce proposes, Mr. Chairman, that if we sit
3 down and look at the problem with a view to being helpful
4 rather than negative, there is a possible solution. We
5 are sure there will be an equitable solution forthcoming
6 and we are available to assist and help wherever possible

7 Thank you very much, Mr.
8 Chairman for the opportunity to appear before you.

9 MR. CHAIRMAN: Thank you Mr.
10 Morrison.

11 MR. GOUDGE: Thank you Mr.
12 Morrison. Next I call on Mr. Templeton, sir, for the
13 Alaska Highway Pipeline Panel. Mr. Templeton please.

14 ARGUMENT BY MR. TEMPLETON

15 MR. TEMPLETON: Mr. Chairman,
16 Mrs. Bohmer and Mr. Phelps. I think the main issues before
17 you are five. First is, can a gas pipeline be made
18 acceptable in the Alaska Highway corridor.

1 If so, how long will it
2 take to make it acceptable?

3 Three. What planning mechanisms
4 will be required to limit adverse socio-economic impacts?

5 Fourth, the urgency and timing
6 of a single regulatory agency?

7 Five, upon whom does success
8 depend?

9 The first issue, can a gas
10 pipeline be made acceptable in the Alaska Highway corridor?
11 In this basic question I use the word corridor, rather than
12 route, because the expanded 1972 pipeline guidelines
13 required the consideration that the first pipeline would
14 define a transportation corridor for possible future oil
15 pipeline, electric power lines and highway.

16 Of course, the Alaska and other
17 highways already exist in this area. An oil pipeline is
18 still a possibility for transporting oil from Prudhoe Bay
19 or Naval Petroleum Reserve Number Four in Alaska, to the
20 midwestern States. So, although you have not been asked
21 to comment on an oil line, it would be prudent to have in mind
22 that approval of a gas pipeline may set a precedent for
23 an oil line.

24 The evidence of the Northern
25 Canada Power Commission at the E.A.R.P. hearings also
26 indicates that a power line is actually being contemplated.

1 to control it. Although this final argument has, of
2 necessity, been written by me, I am confident that the
3 other Panel members, Mr. Irving Fox, Dr. Ian McTaggart-Cowan,
4 Mr. Winston Mair and Dr. Gordon Nelson, agree with me that
5 a route within the Alaska Highway corridor can be found to
6 be acceptable.

7 We came to this conclusion in
8 our report, entitled "Initial Environmental Evaluation of
9 the Proposed Alaska Highway Gas Pipeline Route, Yukon
10 Territory". We had some stipulations in that volume which
11 made that acceptance conditional.

12 The second issue; How long will
13 it take to make it acceptable? We have argued that the
14 acceptability of the project from a social point of view
15 is time dependent. By that we mean up to a point the longer
16 you can put off the mainline construction, the longer time
17 will be available to implement the land claims and plan.
18 the social programs to limit social impacts.

19 Mr. Blair disagreed in the
20 amount of time needed, which we say is four and a half years
21 from now until mainline construction commences, and also
22 argued that unless there is some urgency given by
23 an impending project planning just does not get done. I
24 recognize this argument. I, like everyone else, leave
25 the tough decisions until the last possible moment and
26 I suppose the planning and financing of the social and

1 informational program to limit future impacts will not
2 really get serious until the word gets out that the pipeliners
3 are on the way.

4 I'm not sure whether this is
5 the case in the land claims settlement and implementation,
6 because I do not understand how far along they are. In
7 addition to the effect on the land claims implementation is
8 the question of how long it will take the government forces
9 to marshall and staff the agency to administer the project
10 and work out the controls and be ready for approvals.

11 We believe that the critical
12 path of activities go through the following stages:

13 (a) the socio-economic planning
14 phases of determining problems, devising solutions and
15 implementing mechanisms by mid 1978.

16 (b) these would be presented to
17 socio-economic hearings to be finally included in the
18 National Energy Board hearings for approval by the
19 end of '78.

20 (c) next the agency stipulations
21 would be drafted by mid 1979, and presented to the National
22 Energy Board hearings for approval by the end of 1979.

23 (d) the agency would then use
24 these stipulations in it's pre-construction evaluation and
25 by the last quarter of 1980 be ready to approve a route
26 and locations of all major facilities.

1 (e) the pipeline company would
2 then provide the detailed design, order materials and
3 equipment, and commence mainline construction in early 1982
4 and be finished by mid 1984.

5 Mr. Blair has said that this is
6 too long. We do not know the government's plans or how
7 well prepared it is. We can speculate that some of the
8 activities in 1979 and 1980 could be shortened, but at the
9 moment have no confidence that by shortening them on the
10 critical path chart, the actual work will be speeded up.

1 We urge you to recommend that a
2 schedule be prepared immediately which will show the start
3 and completion dates of the main activities of the pipeline
4 company and all government and community activities.

5 The Third issue. What planning
6 mechanisms will be required to limit adverse socio-economic
7 impacts?

8 Three distinct planning phases
9 can be identified that will be required to limit adverse
10 socio-economic impacts, and they are:

11 (a) an impact assessment and
12 controls development phase;

13 (b) a socio-economic planning
14 phase; and

15 (c) a monitoring phase.

16 Phase (a), impact assessment
17 and controls development phase. Following a corridor
18 decision by the Federal government, we understand that this
19 Inquiry or a similar body, but hopefully this body, would
20 convene for the purposes of preparing a socio-economic
21 impact assessment.

22 As part of this process, the
23 following should be accomplished. First, develop both
24 socio-economic controls and implementation mechanism.
25 Second, provided these controls in a form such that they
26 can be complied with by the pipeline company and enforced

by government.

1 Three, identify what action
2 must be taken in preparation for the project by the municipal,
3 territorial and federal governments, by communities and by
4 citizen groups, including native, and others so that the
5 stipulations to be followed by the pipeline company will be
6 both acceptable to the communities and effective.

7 This phase will require the
8 involvement of many parties at interest, such as government,
9 RCMP, community councils, native groups and associations,
10 et cetera, in the impact assessment process and in the
11 development of the controls for the pipeline company and in
12 defining what planning action is required by others.

13 The controls and mechanisms
14 could be transmitted to the single agency for direct appli-
15 cation to the pipeline company. The non-pipeline oriented
16 activities would be pursued in Phase (b).

17 In Phase (b), which we call a
18 social and economic planning phase. Upon completion of
19 Phase (a), we would like to see this Inquiry continue and
20 assume a new role, and I think we could give you a brief
21 rest, of course, for a few days, to continue as a , in the
22 role of a socio-economic planning board.

23 You three people now have unique
24 experience and qualifications to translate the concerns
25 that have been expressed to date into actual planning.
26 You are accepted, I think, by most all interested parties

as being sincere, fair and knowledgeable, essentials of any planning board.

In this phase, the prime role would be to co-ordinate the actions of the external parties at interest, in putting in place whatever infrastructural improvements were identified as essential in Phase (a).

The Board would also make available through the federal government, the financial and technical resources necessary to accomplish this task.

This work should be completed before project field activities commence.

Next is Phase (c), the monitoring phase. This phase would commence when the pipeline company's field activities commence.

We have recommended that a single agency control the pipeline company through defined controls or stipulations. This we see as a function totally related to project activities.

There is also a need to monitor the broader socio-economic environment for a number of reasons. Firstly, to provide a focal point for many parties at interest to bring forward problems which are arising in the region.

These problems may related directly to the pipeline company's activities or to the broader socio-economic environment.

1 Essentially, the Board is a
2 focul point for public in-put, however modifications in
3 controls could be developed and forwarded to the agency for
4 action as the need arose.

5 Secondly, to co-ordinate the
6 gathering of data on project effects, particularly the
7 in-direct effects.

8 This could result on further
9 action on infrastructural improvements which may not have
10 been beefed-up enough in Phase (b).

11 Thirdly, to provide for a flow
12 of information as an impact information centre and publish
13 frequently the successes and failures of the social and
14 environmental control programs.

15 In summary of this issue, then
16 we envisage a single control agency dealing with the pipe-
17 line company and a social planning board dealing with the
18 many external parties at interest.

19 The role of the social planning
20 board would be different at different phases of the project.
21 It would be most intensive in the socio-economic impact
22 assessment and controls development phase. It would be a
23 planning co-ordinator role next, and finally it would serve
24 as a monitor to the socio-economic and natural environment
25 effects as a focus for public in-put.

26 The next major issue, the fourth

1 one, is the urgency and timing of a single regulatory
2 agency.

3 This section of my final agru-
4 ment discusses what I feel is needed to achieve environmental
5 protection on a project of this magnitude and I wish to urge
6 that one of your recommendations be for the immediate
7 establishment of a single regulatory agency to develop and
8 enforce the numerous environmental protection measures which
9 have been discussed and proposed at these and other
10 hearings of northern gas pipelines.

1 Establishment of such an agency
2 is urgent, and I notice the National Energy Board and the
3 Yukon Territorial Government agree. It will require
4 extensive planning and preparation to be in place and ready
5 to respond to the applicant's proposed final design. I
6 recognize that in that comment in the paragraph above, I
7 used 'environmental protection' but I -- when I wrote it --
8 I forgot that we use environment in a somewhat difference
9 sense than most others, and we included the human environment
10 as part of it. And, of course, all of these environmental
11 matters certainly have effect on land use planning and
12 the native use of the environment.

13 Much discussion and work has
14 taken place regarding the need for establishing a single
15 overall regulatory agency to achieve environmental
16 protection on a proposed northern pipeline. In September,
17 1974, the Environment Protection Board published it's four
18 volume impact assessment of the proposed Mackenzie Valley
19 Gas Pipeline, and volume two of that report was entitled:
20 "Towards an Environmental Code", and I have submitted it
21 to these hearings.

22 This volume spells out the
23 duties and responsibilities of both the applicant and the
24 government, as well as the environment protection
25 measures that would have to be met by the applicant and
26 enforced by the government. In April 1976, the Environmental

1 Protection Service published a study, "Assessment of
2 Environmental Protection Activities in the Mackenzie Valley
3 Gas Pipeline". This document spells out the level of
4 effort and timing required to set up the type of agency
5 required in the Environment Protection Board's report.

6 Later in 1976 and early this
7 year, the Environmental Protection Service published
8 "Recommended Environmental Standards for the Design and
9 Construction of the Mackenzie Valley Gas Pipeline", and a
10 new volume of guidelines of good conduct for pipeline
11 construction in general.

12 Both of these reports by themselves
13 however, are not as sufficient to achieve environment
14 protection. First they are guidelines and not mandatory
15 requirements to be met. Second, they do not spell out the
16 requirements and duties of the government regulatory agency
17 needed to enforce them. And I understand that an inter-
18 departmental committee is working on these aspects, but it
19 has still not been clearly stated that the Government actually
20 will set up the necessary single controlling agency.

21 In the opinion of the Alaska
22 Highway Pipeline Panel, if the government is not ready to
23 control the pipeline, the pipeline should not be built.

24 Our studies of this pipeline
25 proposal point out the need for a specific, well thought
26 out, and well understood controls applied at the right time.

1 They also make it clear that the preparation and timing of
2 the government effort is all important. In addition to the
3 Territorial Government, three departments have jurisdiction
4 over this project: The Department of Indian and Northern
5 Affairs, the Department of Environment and Fisheries, and
6 the Department of Energy, Mines and Resources in the
7 National Energy Board.

8 Each has partial jurisdiction
9 and responsibility and each has staff and expertise which
10 is unique and necessary to control the project. No matter
11 to whom I talked in the government, they agreed that a
12 single agency was needed, but each person I felt assumed
13 that his department would supply the agency. It would be
14 unfortunate if this decision resulted from bureaucratic
15 maneuvering, rather than a well thought out plan.

16 The government needs to make a
17 political decision now, but if a pipeline is approved, a
18 single agency is required to control the pipeline
19 project, separate from the social planning outside the
20 appreciation of the pipeline company. A decision is
21 also needed as to whom the agency will report, and what
22 role the departments will play in supporting it.

23 I think these decisions could
24 well take from six months to a year.

25 Now, I would like to discuss
26 the next stage of setting up the agency, the process of

1 securing senior management people who will direct the agency.
2 Obviously these people are fully employed elsewhere, so there
3 could be a time lag there from two to six months in getting
4 them even seconded to the agency. This would follow a
5 period of securing senior technical people in a variety of
6 disciplines and these people too will have full time jobs
7 elsewhere and getting them seconded will take another two
8 to six months.

9 Then both groups would need time
10 to become familiar with the mountains of paper work that
11 would have been generated for these hearings to say nothing
12 of technical reference materials that will be required.
13 After this break-in period, the agency would need time to
14 undertake the necessary inter-disciplinary work on the
15 problem of control; how performance was to be measured,
16 and what was acceptable and what was not.

17 An adequate code of regulations
18 regardless of what it is called will be needed very early
19 in the project before the applicant makes it's initial
20 basic decisions which will govern future operations and
21 procedure. Just to show you how long these things can
22 take, the first meeting of the Canadian Standards
23 Association committee on gas pipeline code Z184 in Canada
24 started in 1963. It was not until 1972 that I felt the
25 code which I had worked on and which was prepared on
26 Z184 was in good enough shape that we could recommend to

1 the Province of Manitoba that it be adopted there. Undoubtedly
2 there are those who will argue that the government already
3 has land use regulations, land use inspectors, game
4 officers, fisheries personnel and others. We agree.

5 But we would like to point out
6 that the present regulations were drafted basically to
7 control smaller activities which run into a few of the
8 environmental problems associated with a major effort such
9 as this pipeline. I'm referring to the problem such as
10 summer operations which follow apart from the pipeline itself,
11 construction and operation, stockpile areas, access
12 roads, quarries, compressor stations, to mention only a few.

With Twenty-five hundred men in the field, the applicant cannot turn the operation on or off with changes of weather. I have dwelt at length on this example because I wanted to emphasize two points which have to do with the control of the project. The

1 first has do with the timing of the basic decisions of a
2 critical path chart - type of equipment, et cetera, and
3 the control of the construction workers use of the
4 environment and the community infrastructures.

5 All of these decisions will
6 have to be made at the earliest possible date by the
7 pipeline company so that equipment can be ordered and the
8 operation put into effect. All of these decisions have
9 environmental and social implications and if the government
10 agency wants to approve, veto or alter these decisions,
11 it should be ready and trained by the time the approval
12 of the pipeline is given.

13 My experience shows that
14 if the do's and the don'ts of a construction job are
15 clearly written and understood by both the inspectors and
16 the contractors, and the inspection staff are well
17 trained and authoritative and able to apply financial
18 penalties if necessary, the need to shut a job down
19 becomes very rare.

20 However, to reach this state
21 of control, requires detailed specifications to be
22 administered by a trained staff. This takes time and
23 brings me back to the conclusions earlier, that there is
24 some urgency in getting on with the job of setting up
25 the agency, allocating people and getting familiar with
26 the decisions that will be required if the project is

1 approved.

2 I would have liked to have
3 seen the Federal Government's administration demonstrate
4 its intention at these hearings in the same way that the
5 applicant has demonstrated its intentions. I was very
6 pleased to see the Territorial Government's present
7 briefs by the Commissioner and members of the Executive
8 Committee. This indicates that they're serious about
9 limiting the social impacts.

10 I sincerely hope that they
11 will have the funding and staff to plan and implement the
12 measures which they propose, and others, which undoubtedly
13 will be found necessary.

14 The next issue, on whom does
15 success depend? Whether the project actually achieves
16 the results obtained or expected, depends mainly on
17 three groups - pipeline company and its contractors,
18 the government agency to control the pipeline company and
19 the social planning and information group that will deal
20 with the social problems which are a consequence of the
21 pipeline activities but which are not controllable by the
22 pipeline company.

23 All three will be participants
24 of the project and a failure of one will reflect on all
25 three. No matter how careful a job, the pipelining
26 company does, if the agency does not manage its operations

1 adequately, the whole project will fail to do what is
2 expected in controlling environmental and social impacts.
3 The reverse is true. If the pipeline company fails, so
4 will the agency. If the social planning is inadequate,
5 the perception of the whole project will be negative.

6 During the hearings, encourage-
7 ment is gained from first, the Territorial Government
8 representatives who demonstrated an appreciation of many of
9 the social problems, the considered solutions and seemed
10 to be receptive to tackling the other problems. Citizens
11 group, including the Indian ones and the news media,
12 seem ready and able to identify and work out the social
13 problems.

14 A number recommended that
15 a social planning committee of some sort be formed.
16 What they need now is some direction, co-ordination and
17 some funding. The applicant who has said they will have
18 the head office of the Yukon company in Whitehorse and
19 that its officers and head office staff will be living here,
20 is very encouraging.

21 In that event, there is no
22 question that they will be familiar and able to respond
23 to the social problems better than if they lived on the
24 outside. I am disappointed that the Government of Canada
25 has not come forth with a strategy and timing for control
26 of the project if it is approved. Perhaps its preparation

1 is more advanced than is apparent to me.

2 I'd like to thank you very
3 much for the consideration that you've extended to me and
4 for the gentleness you've exercised Mr. Chairman, when you
5 asked me to rephrase my argumentative questions. I'm
6 sorry that the other members of our panel weren't here
7 this week, but they all had previous commitments and just
8 couldn't make it but we have been in contact by telephone.

9 I think you've conducted
10 a good Inquiry and it was open and even though the time
11 schedule was extremely short, I think everyone had his
12 chance to say his piece. I apologize for having said
13 mine too often. Thank you.

14 MR. CHAIRMAN: Mr. Templeton,
15 I'd like to thank you very much for that submission. As
16 we've become accustomed to expect from you, it's of high
17 relevance and contained some very interesting suggestions.

18 We appreciate your kind
19 words and your concern to keep the members of this Board
20 off the unemployment list. There is one suggestion in
21 your brief that we greet with limited, well-restrained
22 enthusiasm, it's that prolongation of our careers in the
23 Inquiry business. Thank you very much for that brief.
24 I'm going to suggest we take a mid-afternoon break at
25 this point.

26 (PROCEEDINGS ADJOURNED).

1 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

2 MR. GOUDGE: I think we're
3 prepared to resume Mr. Chairman, members of the Board and
4 if we can proceed down our list. Next I'd ask Mr. Bayly
5 for the Yukon Conservation Society to make his final sub-
6 missions to you.

7 ARGUMENT BY MR. BAYLY:

8 MR. CHAIRMAN: I note that
9 Mr. Bayly stands ready.

10 MR. BAYLY: Mr. Chairman, Mrs.
11 Bohmer and Mr. Phelps. I should explain, first of all,
12 that I'm presenting argument on behalf of the Yukon Conser-
13 vation Society but that part of this argument was prepared
14 by Nancy MacPherson on behalf of the Yukon Association
15 of Social Workers and her work and her recommendations on
16 social impacts, together with the work prepared by the
17 Conservation Society on the same subject is endorsed by the
18 two groups.

19 I should also explain that this
20 argument is not to be taken as complete, in the sense of
21 covering adequately, all the topics that have been addressed
22 at this Inquiry. I make no excuses for that. We decided
23 to cover some important topics in as much detail as we
24 could and just to refer to some others.

25 So some of the recommendations
26 contain an evidence that we have called ourselves, is only

1 referred and not discussed. Such topics as impact costs
2 as factors of project costs, compensation, proof of loss,
3 and the single regulatory agency have not really been
4 addressed in this presentation at all.

5 Mr. Chairman, your Board of
6 inquiry has been empowered to examine the socio-economic
7 aspects of the proposed Alaska Highway gas pipeline. And
8 it was contemplated at the outset that you would identify
9 the principal socio-economic implications of the proposal,
10 the attitudes of the local inhabitants of the region, the
11 possible deficiencies in the application, and that you would
12 recommend courses of action to correct the deficiencies and
13 meet the major concerns.

14 It is our submission that this
15 task has proven impossible to perform in the time allotted.
16 Severe limitations have been placed upon your examination
17 by the application itself. In it and through the evidence
18 called by Foothills, you have been presented with a thumb-
19 nail sketch of a project and little more than a list of
20 its possible impacts.

21 I do not fault the applicant for
22 this. The applicant is a neophyte in the Yukon. Mr. Blair
23 has stated that the applicant has been able to put forward
24 a coherent application; that is in dispute. But, if they
25 have done that, I suggest to you that that is all they have
26 been able to do in the time they have had. Many of their

1 consultants and staff began only this spring to put the
2 research together and they were forced to take the Yukon
3 as they found it, a land of active people, both native
4 and non-native peoples, not a land of statisticians.

5 As a result, much of what we
6 call baseline data has never been collected. Case studies
7 examining the impacts of industrial development which could
8 provide yardsticks for comparison and basis for prediction
9 are few and far between. So you may be in a position to
10 identify the sources and indicators of impacts which may
11 be attributable to the project, but you are not in a
12 position to say where they will occur and in what magnitudes.

13 This problem is compounded by
14 the recent rulings by the Energy Board which suggest an
15 alignment not even examined by this Inquiry and never
16 applied for by this or any other applicant.

17 Part of your task has been to
18 listen to local people for the purpose of reporting to
19 the government on their attitudes. I submit to you, that
20 you have heard the initial reactions, informed and uninformed
21 of the public, but that you have not heard many developed
22 attitudes. What people have said to you is of value. But
23 the time for thought and reflection afforded to the people
24 of the MacKenzie Valley on the same important questions
25 has not been given to the people of the Yukon. And, while
26 that is not your fault, it is their misfortune.

The question of project timing has been addressed by the applicant and all the other participants. Not even the applicant is happy with the project schedule it has imposed upon itself. Mr. Blair recognized the schedule as too tight for Foothills, by at

1 least twelve months, and too tight for the people of the
2 Yukon, especially the native people by considerably longer.

3 Foothills is run by a self-
4 defined nationalist, a man who does not want to surrender
5 Canadian independence to the Americans or to the eastern
6 Canadians. But, he also tells the Inquiry that in order
7 to meet American needs, and in order to be good neighbours,
8 we must respond to the American imperative.

9 How will history judge us in
10 this country if, in the 1970's we turn our backs on the
11 Yukon native people's pleas for time to settle their claims
12 and to plan for their future.

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I submit to you that it is more important to be right and true to yourselves, this

1 territory and its people, than to provide the basis for
2 a comfortable political decision. I make these remarks
3 chiefly in reference to timing, though they may be of
4 more general application.

5 I say these things because
6 whatever timing recommendation you make, it must reflect
7 the needs of this territory and its people, though it may
8 be seen as impractical or unpopular in the national or
9 international context.

10 I'd like to turn now to
11 specific areas, the first of these being wilderness. The
12 Yukon Conservation Society was founded in 1968 with the
13 objective to secure the wise use, protection and preser-
14 vation of scenic, scientific, recreational, educational,
15 wildlife and wilderness value of the Yukon Territory.

16 We recommend that wilderness
17 be recognized and protected as a valuable resource, not
18 only for the Yukon and its people, but for the nation and
19 the world. We further recommend that wilderness be
20 recognized and protected as a non-renewable resource and
21 a scarce one.

22 In order to preserve the
23 wilderness character of the Yukon, and at the same time,
24 recognizing the need for a healthier economy, we recommend
25 a policy of controlled growth and economic stability.
26 If the desire for this pipeline creates a dependency and

1 leads to a need for the next major project, the Yukon
2 must look carefully down the road it seeks to travel.

3 We feel that continued large
4 scale development may be the real legacy of this pipeline
5 and it is this rapid sequence of development, one project
6 stimulating another, which could jeopardize the wilderness
7 resources of the Yukon. It is possible to place a dollar
8 figure on the economic benefits potentially accruing to
9 the Yukon from the Foothills' project.

10 It is more difficult to
11 quantify the loss of wilderness and the destruction of
12 wildlife and wildlife habitat. These losses, however, can
13 be assessed if we examine wilderness as the single most
14 valuable non-renewable resource in the territory. Tourism
15 is the second largest dollar generating industry in the
16 Yukon. Approximately thirty million dollars in tourist
17 revenues annually accrue to the Yukon.

18 Tourists perceive the Yukon
19 as wilderness, as unspoiled, and this influences their
20 choice of the territory for vacationing. The Alyeska
21 experience shows that the perception of the pipeline
22 project, combined with increased energy costs and other
23 travel expenses, caused a marked drop in the tourist
24 revenues during pipeline construction.

25 If the Yukon tourist industry
26 suffered even a ten per cent decline during construction,

1 much of the forecasted revenues would be offset by the
2 losses to that industry.

3 Added in as a factor, is the
4 use of wilderness by the residents, many of whom remain
5 in the Yukon because of wilderness appreciation and use
6 for boating, hiking, skiing, wood gathering, fishing and
7 hunting, et cetera. Can we expect the people who came
8 to live in the Yukon, motivated by large development
9 projects, will share the views of the majority of the
10 present residents?

11 The Alaska experience suggests
12 just the opposite, that there occurred a shift in the
13 outlooks held by the majority, in conjunction with popu-
14 lation changes associated with the Alyeska project. When
15 weighing these concerns in your deliberations, we recommend
16 that you realize that many people perceive this project
17 as not just a pipeline, but the toe in the door for the
18 values and schemes of the North American industrial
19 society. For that reason, they resist it.

20 You have heard evidence on
21 the paucity of land use planning in the Yukon. Part of
22 this has been attributed to the negotiations presently
23 going on of the native land claims, but even now, little
24 work is being done to inventory lands and to discuss
25 overall priorities.

26 In the face of that, develop-

1 ment has been permitted to proceed piece-meal, whereas
2 preservation of wilderness in various ways, has been at a
3 virtual standstill. Dr. Theberge, as you will recall,
4 commented on this before the Inquiry at page 5123 and 5124
5 of the transcript and I remind you of his words.

6 "Development seems to be able to go on in the
7 North with its own impetus or with government
8 subsidies. The preservation will not happen
9 unless there is a policy developed. Yes
10 indeed, we want to contribute with the rest
11 of Canada and some provinces have past
12 ecological reserve acts to develop their IDP
13 sites. Unless the Yukon decides it wants to
14 contribute, and it wants to actually preserve
15 some of the spectacular scenery and wildlife
16 resources, it will be one thing after another
17 until we'll turn around about the year 2000 and
18 say, holy smoke, we lost our chance."

19 Mr. Chairman, you must not
20 ignore the wilderness in your recommendation. If we are
21 measured by what we pass on to future generations, and
22 not just by what we consume, then the preservation of
23 this resource is one of the highest priorities in the
24 development of our civilization.

25 This preservation will
26 require much thought and planning on the part of all of

1 us. Wilderness protection requires laws as well as
2 planning. It requires public education and consciousness;
3 it demands close scrutiny of priorities and philosophies.

4 An example of the need for
5 public discussion of these priorities and philosophies is
6 written in the Yukon Territorial Government policy paper
7 on the management of the Dempster Highway which is
8 Exhibit 129 to this Inquiry. I'll quote a paragraph from
9 that. It says as follows:

10 "One basic fact should be established. That is,
11 that regardless of how hauntingly beautiful
12 a wilderness area may be, it serves little
13 purpose in the overall scheme of things unless
14 it is enjoyed by people. Having made that
15 point, it is obvious that the objective must
16 be to permit this enjoyment by the institutions
17 of measures guaranteed to preserve the
18 characteristics of the area."

19 That's found at page 8 of
20 that report. This statement, that limits wilderness to
21 its value to human perception is not a fact, but an
22 attitude and as such, must be tested by all Yukon people.
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1 It's homocentricity must be
2 debated before we can accept it as the underlying rationale
3 for public policies and laws. To work through these
4 philosophies and priorities, to forge these into a land use
5 plan, complementary to the land use strategy which will come
6 out of the Indian land selection and utilization priorities,
7 will take time.

8 At this time we submit it is
9 more important to the Yukon than the Foothills pipeline
10 project and it's competitive position vis a vis the El Paso
11 project.

12 I'm turning now to the subject of
13 social impacts. Evidence presented to this Inquiry has
14 demonstrated that social and economic impacts may be viewed
15 from two distinct perspectives. First, the administrative
16 perspective, which is the top down view of assessing then
17 responding to define social and economic needs of the
18 community. Second, the community perspective, which is
19 the local residents concerned for the kinds of changes
20 which occur in the place in which they live.

21 In the short period of time
22 available to this Inquiry, a reasonable amount of evidence
23 has been brought forward about administrative changes
24 that have accompanied the construction of the Alyeska
25 pipeline. Some selected parallels have been applied to
26 the Yukon. Comparatively little has been said about the

1 changes to the community perspective.

2 There are, we submit, reasons
3 for this. The community perspective is considerably more
4 difficult to assess and record. Issues of life style and
5 quanlity of life take on a romantic and ineffectual
6 character, in contrast to the hard statistics which are
7 products of administrative mechanisms. It is our view
8 that issues of lifestyle, quality of life and community
9 relations are of predominant importance and that these
10 concerns cannot fully or adequately be expressed or
11 represented from an administrative perspective.

12 There has been insufficient
13 evidence about issues of lifestyle, quality of life and
14 community relations to provide this Inquiry with the basis
15 for making recommendations in these areas of concern,
16 beyond recognizing basic differences and perspective between
17 administration and community, between community and
18 community, and between factors within individual communities.

19 With this in mind, we encourage
20 the inquiry to make recommendations regarding the assessing
21 of impacts, the formulating of mitigative measures, and the
22 arranging of compensation where appropriate as necessary
23 administrative procedures.

24 We also feel it is imperative
25 to recognize these steps as insufficient in themselves to
26 describe the full range of impacts to which the people and

1 communities of the Yukon will be subjected.

2 We submit that the following kinds
3 of issues need to be investigated from the community
4 perspective and I have four of these.

5 (1) How communities function, how
6 they are factioned, and how individuals and factions
7 interact.

8 (2) How administration and
9 development enterprises alter patterns of social and economic
10 interaction.

11 (3) What economic activities
12 and opportunities exist in communities.

13 (4) What rates of development
14 and growth can be accommodated within the frame work of
15 various communities.

16 This requires an analysis of
17 alternative developments and opportunity costs if one
18 development is selected over another. This list is not
19 exhaustive in describing the research needs of the
20 community. Community research is, by it's character,
21 detailed, time consuming and complex, and as a result of
22 this, frequently overlooked.

23 It is our view that evidence is
24 not available which would allow the Inquiry to make
25 recommendations or assumptions about the above topics.
26 The gathering of such information lies outside the time

1 available to this Inquiry.

2 We urge the Inquiry to recommend
3 that such research be undertaken before any pipeline
4 construction be undertaken. Such research, if well done,
5 would provide information that would allow communities
6 greater opportunities of realizing their aspirations, and
7 would provide developers with guidelines on how to most
8 appropriately deal with those communities.

9 Such research, would in the
10 estimation of Mr. Sharp, take a minimum of two years, if
11 conducted by people with considerable experience in these
12 kinds of research. It would be necessary to conduct this
13 kind of research in each community, because as you have
14 heard, there are great differences between the individual
15 communities.

16 Now turning now to the human
17 service delivery systems, the second part of the socio-economic
18 portion of this argument. Following the assessment of the
19 individual community structures, needs, and goals, the human
20 service delivery system, social services, criminal justice
21 services, and community services must be examined in light
22 of the following three things:

23 (a) relevance of services
24 to cultural values, and the needs of each community, whether
25 it be urban or rural, native or white.

26 (b) the quality of existing

1 service.

2 (c) the capacity for meaningful
3 change within the system.

4 Only be looking at these will we
5 be in a position to appropriately employ impact funding.
6 The applicant has failed to provide analysis of the impacts;
7 social, economic and cultural, to specific communities
8 rendering it thereby impossible at this time to determine
9 accurate costs of mitigative measures.

10 Even though the applicant admits
11 to not providing enough research to proceed with construction,
12 again I refer to Mr. Blair's statement at page fourteen,
13 in essence this means that the social, economic and
14 cultural costs will not be known until after a certificate
15 has been issued, and pipeline activity has begun.

16 The Social Workers Association
17 and the Conservation Society both find this totally
18 unacceptable. Knowledge of these impacts and their inherent
19 costs must play an important part in the final decision. To
20 allow Foothills to proceed without this information would
21 be truly raping the frontier, to use the words of Mr. Blair,
22 obtaining consent with promises of compensation. The rape
23 victim is never as well off after the rape as before
24 despite promises and despite the assurances of some of my
25 former clients.

1 The Association of Social
2 Workers has made numerous recommendations to this Inquiry
3 with respect to the criminal justice system, social and
4 community services and alcohol and drug services. We urge
5 you to incorporate all of these recommendations. We
6 recognize that the impact funding is only part of the nec-
7 essary mitigative process. Evidence presented from Fort
8 McMurray and Alaska has clearly indicated that adequate
9 planning time and planning staff are equally important.

10 Services must not be allowed
11 to become overburdened and thus reactive in nature. This
12 would be to the detriment of not only the quality of the
13 service offered, but the quality of life experience in the
14 Yukon Territory. We urge you to consider the vulnerability
15 of native people, their disproportionately large involvement
16 in the receipt of social services and the criminal justice
17 system and their relative lack of involvement in the delivery
18 and planning of these services.

19 The impact of a pipeline in
20 the Yukon will only cause this situation to deteriorate
21 further. Native peoples must be allowed the time and
22 resources to determine their own policies and philosophies.

23 Returning now, Mr. Chairman,
24 to the subject of in-migration and as the other participants
25 who have spoken already have indicated, in-migration is a
26 critical factor. The in-migration will be felt by all sectors

1 of the Yukon society and economy. In general, the greater
2 the in-migration, the greater the negative socio-economic
3 impacts. Mitigative measures may act to reduce the numbers
4 who in-migrate into the Yukon speculating for jobs. Such
5 measures however, will not, in our view, eliminate a large
6 portion of the in-migration. Careful pre-planning by
7 government and the developer may reduce some aspects from
8 negative socio-economic impacts, and for that reason, those
9 measures should be encouraged.

10 The effectiveness of such schemes
11 will depend upon the accuracy of in-migration predictions
12 and the effectiveness of socio-economic programs designed
13 to offset anticipated costs. An over-production would
14 result in the creation of under-utilized administrative
15 services and facilities. Programs would still function while
16 operating at less than capacity. But to underestimate the
17 extent of in-migration, is to run the risk of having plans
18 and programs designed to off-set impacts made virtually
19 useless because of overloading. And it is our view, in
20 this context, that, first, a prediction of in-migration is
21 necessary as a guideline along which measures may be
22 developed, and second, that such a prediction must avoid
23 understating the extent of the in-migration.

24 The risks of understating in-
25 migration, in our opinion, outweigh considerably those of
26 overstating the extent of it.

1 There does not appear to be
2 a coherent body of social theory upon which one can pose
3 predictions of in-migration related to this type of project.
4 In the absence of this type of theory we are obliged to
5 examine case studies and draw from these, what reason tells
6 us are appropriate or reasonable parallels.

7 We submit that the evidence
8 presented before this Inquiry by Mr. Sharp, Messrs Boorkman,
9 the two Weinsteins and Mr. Eby follow these principles.
10 Their evidence differs in magnitude and kind with the
11 predictions put forward by the applicant.

12 It is our contention that this
13 Inquiry needs to address this pivotal issue. It is our
14 view that the predictions and the supporting rationale of
15 Sharp, Weinstein, Boorkman, and Eby project a more realistic
16 set of in-migration estimates than those of MacLeod

17 Governments in the Yukon have
18 appeared to accept the applicants predictions. In doing
19 so they may have become party to underestimating and in
20 the future, underplanning for socio-economic costs which
21 may be attritural to in-migration associated with the
22 project.

23 The problems of the applicants
24 arguments in relation to projected in-migration have been
25 demonstrated in both direct evidence and through cross-
26 examination. It is our view that the Inquiry should point

1 out the obvious short comings, and in doing so, make
2 recommendations with regard to the extent and kind of
3 in-migration. I should say predictions rather than
4 recommendations. We also encourage the Inquiry to re-
5 commend to the applicants and to the various levels of
6 government in the Yukon, to reappraise their planned social
7 and economic programs, by employing more realistic in-
8 migration projections.

9 It is our concern that failure
10 to deal with this issue will, in effect, endorse the
11 government's acceptance of the applicant's low in-migration
12 predictions. We also recommend that the Inquiry state that
13 mechanisms utilized to minimize in-migrations are necessary
14 but they are measures which will reduce a proportion of
15 the problem and not eliminate it.

16 Now, the following are issues
17 related to in-migration that we recommend the Inquiry accept.
18 First of all, self contained camps. The evidence before
19 this Inquiry indicates that the construction camp cannot,
20 nor will not be entirely isolated from adjacent communities.
21 We recommend that the Inquiry acknowledge the inability of
22 the applicant to exercise the type of control over their
23 manpower which will keep the workers contained entirely
24 in the camp.

25 We also recommend that research
26 be undertaken to determine how communities can best cope with

visiting construction workers.

Second. Effects on small communities. There has been little, if any, evidence which indicates the capacity of rural communities to undergo considerable change in population. Research needs to be undertaken to investigate this dimension of the problem for the view to working out processes which will lead to the most effective and least disruptive changes to the community make-up.

Third. In-migration ripple effects. A great deal has been said at this Inquiry about the extent and kind of in-migration that would result from the construction of the Alaska Highway Pipeline. Very little has been said about the ripple effects in-migration would have on the people and the communities of the Yukon. Each issue such as cultural dislocation, aggravated by increased development tempo, and a proportionately large increase in the white population relative to the Indian population, altering of the quality of life and lifestyle as a result of demographic changes and the change in character of government and administration in response to changes in the Yukon's make-up, are topics that require thorough investigation.

Evidence is not available on these topics, nor has there been time to collect such information. It is our view that the Inquiry should recognize these information shortages and recommend that such issues be thoroughly researched before any major development occurs.

I turn now to the subject of land claims. In land claims negotiations the Council for Yukon Indians and the Federal and Territorial Governments have publicly stated that the first goal of the settlement is to restore, protect, and preserve and guarantee the identity of the Yukon Indians and their freedom to choose a way of life in harmony with their cultural heritage.

That's found in the Planning Council document number two. The Council for Yukon Indians, the native people, and today Dr. Naysmith, have testified that if a pipeline is built before the settlement and implementation of land claims, their freedom to choose such a way of life will be severely impaired and prejudiced.

Foothills, the Territorial Government, and other parties before this Inquiry have suggested a pipeline would not prejudice this freedom to choose. Clearly there is a major contradiction here. Either Yukon Indians will be provided this freedom to choose, as they have been publicly assured, or they will not.

1 Yukoners are not united on this
2 issue. There is deeply felt conflict here. There has been
3 ample evidence before this Inquiry that this level of
4 racial and cultural conflict will increase if a pipeline
5 is built before the Yukon native people are ready.

6 Promises made to the Yukon native
7 people must be treated as solemn and inviolable. For Canada
8 to trade-off the well-being and future of it's own native
9 people for American gas requirements is just not acceptable.

10 Some Yukoners feel that a
11 pipeline is needed to assure economic prosperity in the
12 next few years. We have heard evidence that the Alaska
13 claim settlement promoted prosperity for both native and
14 non-native Alaskans. It is said that benefits of a similar
15 nature can be expected to occur here. But no evidence has
16 been heard about how the Alaskan native presently perceive
17 their claims settlement.

18 The successful settlement of
19 the Yukon claims can benefit both native and non-native
20 Yukoners. Without settlement of these claims, the
21 pipeline will generate both hostility and negative
22 social and economic impacts. You have heard evidence of
23 that hostility. You have lists of economic and social
24 impacts and some indications of their possible magnitudes
25 and duration.

26 If we were to wait until Canada

1 requires a northern pipeline to move its own gas, the
2 Yukon land claims might well be settled and largely
3 implemented.

4 There has been evidence recommending
5 that native people consider buying shares in the pipeline
6 company. It has also been suggested that they accept an
7 advance on land claims funds for economic development
8 associated with pipeline activity. While such opportunities
9 may appear attractive economically, we submit that non-native
10 people should not put any pressure on the native population
11 to participate in activities they oppose and which they
12 feel are not in their interests.

13 Things they presently feel may
14 destroy their lives and eliminate their choices. Things
15 which may forever foreclose the community based development
16 they advocate as being most suitable to and expressive of
17 the way of life they want to preserve and develop.

18 It is easy to be deceived into
19 believing that Yukon people are really all the same under
20 the skin. Native and non-native people wear the same
21 clothes, drive the same cars, build back yard fences,
22 send their children to the same schools; but what this
23 Inquiry may not have had time to fully realize is that
24 beneath these similarities are different sets of values,
25 different world views and different goals.

26 This is not new to Canadians.

1 In other parts of our country, at other times in our
2 history, we have recognized, honoured and built upon these
3 differences. It is part of the Canadian heritage. The
4 Conservation Society urges you to recognize this and to
5 inform the Government of Canada that this may lie at the
6 heart of the differences of opinion and development
7 philosophy in this Territory.

8 Indian people state that they
9 have been bought off before in Canadian history. They feel
10 they have usually been pressured to take short term
11 benefits without being told of the long term or
12 permanent consequences. They have said to this Inquiry that
13 they are not prepared to be bought off in this fashion.
14 Since that their position, we support their view and urge
15 this position upon the Inquiry and the Government of Canada.

16 Yukon native people have told
17 you that they are most unhappy with the length of time
18 that the Government of Canada is prepared to let this Board
19 sit and listen and deliberate. They perceive as unjust
20 the process for which they are not prepared. They feel
21 unable to discuss a project about which they have little
22 information. A project which may have implications for
23 their land, not just perceived by them or by other people.
24 They have indicated that they have inadequate time to
25 inform their people about the project and possible
26 impacts.

1 They question why their future
2 should be considered so hastily. Many non-native people
3 have agreed with them in this regard. The Conservation
4 Society shares their concern. The direction, volume and
5 intensity of community submissions before this Inquiry show
6 a steadily progressing opposition to this pipeline over
7 the course of the hearings. If this Inquiry had been
8 allowed more time, we believe that this opposition would
9 continue to increase.

10 In this respect, it appears that
11 natives and non-natives in the Yukon may be coming closer
12 together. Both cultures are seeing that the Yukon can have
13 other types of development which have the potential for
14 great benefits and low social, economic and environmental
15 costs. The successful land claims settlement and implementation
16 will benefit both groups.

17 We submit that a pipeline built
18 to meet American needs and American time requirements may
19 severely damage the chances for successful Yukon land
20 claim settlement and implementation.

21 Turning now, Mr. Chairman, to
22 economic impact and alternative development. The people of
23 the Yukon have been asked to tell you their thoughts about
24 the potential economic impact of a pipeline. The
25 information available to them through this Inquiry process
26 has been inadequate. There has been no econometric

1 analyses performed, such as there were for presentation
2 to the Berger Inquiry.

3 Foothills has not provided adequate
4 assessment of income distribution in the Yukon. Nor have
5 they said how their project will affect low income people,
6 the elderly or the economy of Indian people.

1 They have not adequately
2 described or analyzed skill levels for training require-
3 ments of Yukon residents, or housing conditions, or the
4 factors involved in meeting housing needs if significant
5 in-migration occurs.

6 Neither have they adequately
7 addressed the likely consequences of their project on
8 capital availability, wage rates, inflation, or the
9 effects on present activities such as tourism, mining,
10 or small business firms. The models used for the examina-
11 tion of the Yukon economy are inadequate. They have
12 ignored those people who subsist outside the mainstream
13 of the wage economy, as well as those who combine some
14 wage employment with subsistence living.

15 We have not been told how
16 many people these activities involve or how a pipeline
17 and related impacts would affect their lives. This
18 Inquiry has heard virtually nothing about alternative
19 developments available to the Yukon. Foothills has not
20 examined the opportunity costs of their project to the
21 Yukon. We do not know how the costs and benefits of these
22 alternatives would compare with a pipeline, however, even
23 with the little information we have, we submit that there
24 is good reason to hope that some of these alternative
25 developments would:

26 (a) not repeat the boom or

1 bust experience,

2 (b) provide greater employ-
3 ment without massive in-migration and corresponding unem-
4 ployment,

5 (c) allow more local control,

6 (d) allow more local produc-
7 tion for local markets, and

8 (e) provide a more gradual
9 planned and stable growth for this territory.

10 As well, more of the income
11 from development would remain in the Yukon for the
12 benefit of local people. There is a significant number
13 of people in the Yukon who do not want development in the
14 North to follow the pattern of the south.

15 These persons question the
16 goals of greater growth and production and the wasteful
17 use of non-renewable resources. We submit that virtually
18 all Yukoners want a future of the Yukon determined by
19 themselves, based on criteria and goals set by those who
20 must live and continue to live with the results.

21 Turning now to the subject
22 of equity participation. Foothills (Yukon) Limited has
23 encouraged local people and particularly Yukon Indians,
24 to consider equity participation in the pipeline company.
25 While he stated that he had no wish to tell native people
26 what to do, there can be little doubt that Mr. Blair and

1 his company desire the participation of native peoples,
2 both as shareholders and directors of the company.

3 Dr. Pearson, the Commissioner,
4 expressing the policy of the Executive Committee of the
5 Yukon Territorial Government, stated that the government
6 seeks some form of equity participation in the project for
7 the benefit of Yukon residents.

8 They propose no favoured
9 scheme for this, but provide some suggestions. The
10 Conservation Society strongly recommends that the Yukon
11 Territorial Government not be permitted to participate in
12 the ownership or the directorship of the applicant company,
13 either directly or through a corporation or foundation.

14 The Yukon Territorial Govern-
15 ment purports to represent all the Yukon residents.
16 People with widely different interests and points of view,
17 participation in, being part of the development is not an
18 appropriate role for government. On this point, we agree
19 with Mr. Blair.

20 Even if the Yukon Territorial
21 Government is not involved as more than an interested
22 spectator to the work of the regulatory agency, this
23 government will have roles which would conflict with
24 ownership and participation in the decision-making of the
25 company. It might be very difficult for the Yukon
26 Territorial Government to oppose future requests for

1 projects of the company such as uses of the Dempster.
2 looping, et cetera, if they were in that position.

3 In the same way, if the
4 Yukon Territorial Government participates by way of a
5 sales tax, a tax which I must emphasize does not merely
6 fall on the shoulders of the pipeline company, but on all
7 residents and visitors to the Yukon, rich and poor alike,
8 if the Yukon Territorial Government imposes such a tax,
9 they may come to depend on the source and level of revenue.
10 This could create a dependency upon large scale industrial
11 activity and make it difficult or impossible for the
12 government to say no, or wait, to subsequent projects.

13 The Society does not wish
14 to make a recommendation regarding the Yukon Indians
15 participation in the project. The Indian people must
16 decide that question for themselves. It is important to
17 observe, however, that the same dilemmas which would exist
18 for the Yukon Territorial Government as an equity holder,
19 affect any equity holder.

20 It is always difficult to
21 criticize what you yourself are doing.

22 Turning now to the question
23 of gas supply to the communities, we submit that the
24 applicant has not proved the benefit of natural gas
25 supply to the Yukon communities and that Foothills has
26 failed to provide adequate equivalent energy cost figures

1 to this Inquiry.

2 Foothills must show that gas
3 can be supplied and continue to be supplied to Yukon
4 communities at advantageous rates per BTU. Foothills must
5 also show that the advantages will accrue to Yukon residents,
6 notwithstanding conversion costs. The company must
7 further show that American suppliers, gas transportation
8 companies and regulatory agencies will agree to supply gas
9 to Yukon communities for the life of the line.

10 The legal and administrative
11 steps necessary to supply gas to Yukon homes have not
12 been adequately explained. The Arctic Gas estimate of
13 fuel needs for a Whitehorse home is far below the Foothills'
14 estimate and brings into question, the applicant's
15 conclusions regarding the advantages of conversion.
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1 The Society submits that a
2 policy of wise use of our own resources requires a study
3 of alternate heating fuels indigenous to the Yukon,
4 particularly wood. A significant number of Yukoners use
5 wood as a fuel because it is abundantly available at virtually
6 no cost.

7 To convert to gas as a fuel
8 would likely require greater participation in the Yukon's
9 wage economy which many Yukoners would see as undesirable
10 and incompatable with their chosen lifestyle. Therefore,
11 we recommend that a survey of fuel use in the home
12 should include a thorough study of all fuels presently in
13 use.

14 On the subject of electric power,
15 the Conservation Society submits that this commission has
16 not heard enough evidence regarding the use of electricity
17 to pump gas through the pipeline to draw conclusions as
18 to its feasibility or its impact upon the Yukon.

19 We submit that Foothills is
20 capable of stating the kilowatt hour rate at which it
21 would be economical to convert it's compressor stations.
22 Since Mr. Blair had the cost estimate for redesigning the
23 stations to receive electric motors at some later date,
24 the company engineers, we suggest, may have considered the
25 question.

26 To argue that the price of fuel

1 gas is unknown at this time is not defencable since the
2 company could have shown cost comparisons for a range of
3 gas prices. Besides Foothills does not appear to propose
4 in their tariff the purchased fuel gas. The price appears
5 to be rolled in with the cost of service to the shipper.

6 We argue that Foothills has
7 not discouraged speculation about the use of electricity because
8 it is anxious to find favour with that section of the Yukon
9 population that sees large scale hydro-electric development
10 and the resulting industrial expansion as desirable.

11 We are concerned that the larger
12 the hydro-electric plant, the greater the potential environ-
13 mental damage, particularly through valley flooding. Since
14 this damage must be paid for, we are confident that a power
15 cost that will be attractive to Foothills cannot be obtained.

16 On the subject of related
17 resource development. The Conservation Society has a
18 great concern about resource development projects that may
19 be initiated as a direct or indirect consequence of building
20 the gas pipeline through the Territory.

21 First of all, there is the
22 problem of the Dempster Highway lateral pipeline. The
23 Society has a long record of opposition to the construction
24 and completion of the Dempster Highway. It appears that
25 despite these efforts as well as those of many others,
26 the Government of Canada is determined to press on to

1 completion.

2 Mr. Chairman, the Dempster Highway
3 and it's management must be considered as part of the
4 environment through which a potential Dempster pipeline
5 would pass. If this Inquiry is going to paint a realistic
6 picture of the North, northern Yukon, you cannot ignore that
7 highway, its management and its potential impact on the
8 environment.

9 It is upon this environment, we
10 suggest that a gas pipeline will have an impact. Your task
11 is made more critical since no comprehensive assessment
12 has ever been prepared to assess the impacts of the Dempster
13 Highway. Nor has there been any monitoring of construction
14 activity.

15 This issue is of greater than
16 ever concern given the recently submitted Territorial
17 Government highway management plan, with its apparent
18 homocentric philosophy. The concerns of the northern Yukon
19 which you must address are both complex and little under-
20 stood. We feel that you can reach only one conclusion:
21 You must recommend that no consideration can be given to
22 the construction of the Dempster lateral.

23 Not enough is known and not
24 enough will be known for several years of intensive study.

25 On the subject of delay. The
26 Conservation Society has presented and heard evidence on

1 the subject of delays on the pipeline project. It is fair
2 to say that not a single participant is prepared for the
3 project to commence tomorrow.

4 The lengths of delay suggested
5 vary from eighteen months, or actually twelve months to
6 ten years. If there is to be a gas pipeline in the Yukon,
7 the length of the delay is less important than that the delay
8 period permit the Territory to prepare in the following
9 ways:

10 (a) through land claim settlement
11 and implementation.

12 (b) through land use planning,

13 (c) through project route
14 alignment and final design,

15 (d) through the preparation of
16 necessary legislation.

17 (e) through the setting up of
18 a single regulatory agency.

19 (f) through the training of
20 enforcement and monitoring staff.

21 (g) through the identification
22 of impacts and preparation through impact funding.

23 We recommend that no pipeline
24 project be allowed to commence clearing and construction
25 unless and until the foregoing have been completed. The
26 evidence before this Inquiry shows that several of these

Mr. J. Bayly
Argument
Mr. S. Horton
Argument

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1 concerns, might not be capable of implementation within the
2 decade. Some of these concerns cannot be met following an
3 abridged schedule.

4 If the project goes ahead cutting
5 corners and trading-off what is of value and importance to
6 this Territory, the Yukon will face social, economic and
7 environmental costs to benefit our nation and our American
8 neighbours.

9 That's the submission of the
10 Conservation Society, Mr. Chairman. Thank you, I have
11 enjoyed the opportunity to appear before you.

12 MR. CHAIRMAN: Thank you very
13 much Mr. Bayly.

14 MR. GOUDGE: Yes, sir. Next is
15 Mr. Horton for the Government of Yukon.

16 ARGUMENT BY MR. HORTON:

17 MR. HORTON: Following, as I do,
18 Mr. Bayly, who is another neophyte in the Yukon, I yet
19 another neophyte, have the temerity to address to you.
20 Unlike him, I promise to be brief. Like him, I likely
21 won't be.

22 Mr. Chairman and members of the
23 Board, I daresay that now you have a reasonably clear
24 concept of the issues relevant to this Inquiry, I therefore
25 feel it somewhat presumptuous of me to present a final
26 argument at all. However, I do solve my conscience with

1 the thought that I am a lawyer and after all what purpose
2 can there be for lawyers in the great scheme of things if
3 it not be to ensure that the universe unfolds in the midst
4 of obscurety induced by their endless argument and
5 mountains of detail.

1 I'll make no attempt to review
2 the evidence. Lord knows there's little of it that I under-
3 stand anyway. Some have suggested and more will probably
4 suggest that you have been given an impossible task and
5 not enough time to do the job you were asked to do. I
6 guess that you are really the better judge of that than
7 any other person. Mr. Chairman, if it's any comfort to
8 you, I suggest that you have had enough time.

9 Throughout the Inquiry I've often
10 suspected that we, all of the participants have been running
11 around swatting mosquitoes when we should have been shooting
12 elephants and I admire and commend your patience and self-
13 restraint in permitting us to do so.

14 I'm not at all sure that it is
15 of any importance to this Inquiry to know whether there
16 are one hundred and twenty or one hundred and forty beds
17 in the Whitehorse general hospital, whether there's forty
18 five percent or 49.6 percent utilization of those beds,
19 or to know whether there will be three hundred speculative
20 in-migrants or four hundred and twelve speculative in-mig-
21 rants today.

22 Both facts relate to impact,
23 but surely, the precise quantification of impact is not
24 relevant to this Inquiry. To do that, to come up with
25 precise quantification, you surely would need, not only
26 more time, but also the omniscience of God. It seems to

1 me it is the nature and probable general magnitude of impact
2 and the general level of existing capacity to cope with
3 the impact that is relevant to this Inquiry. From that,
4 one can then infer what additional steps must be taken
5 to create the capacity to cope.

6 In view of the detail that has
7 been introduced by all of us participants, I'm surprised
8 that we managed to overlook the number of Pampers that
9 Fairbanks' druggists were required to cover the bottoms
10 of illegitimate children born to women under twenty one
11 years of age and fathered by pipeline welders of twenty
12 six years of age or older in 1975, and for all I know,
13 my second reading of the Alaska material might very well
14 disclose that fact.

15 Mr. Chairman, what on earth is
16 an impact? I hope you define it in your report. I suppose,
17 maybe, it is something that,

18 (a) would not likely
19 have happened if there was no pipeline, or,

20 (b) would not likely
21 have happened as quickly if there was no pipeline, or,

22 (c) would not likely
23 have happened at the same general level of magnitude, if
24 there was no pipeline.

25 I also suppose that there has
26 to be some cause and effect connection between the pipeline

1 project and the impact. You and I as lawyers are familiar
2 with the concept of reasonably foreseeable consequences
3 and reasonably foreseeable risks. Now, that concept may
4 seem terribly complex when you read wagon mounds number
5 one and wagon mounds number two, and other examples of
6 the intellectual gymnastics of the judicial mind but maybe
7 the general principle or the concept is in fact, a useful
8 expression of ordinary common sense that would be relevant
9 in the context of this Inquiry.

10 I also suppose that maybe you'll
11 be more interested in some impacts than others. The number
12 of Pampers that I referred to earlier may well be an impact,
13 but, good grief, surely, the general condition of mankind,
14 particularly mankind in the Yukon, is not contingent upon
15 that and is more directly effected by things like the
16 availability of affordable housing of reasonable quality,
17 the continued presence of most of our forests, lakes and
18 streams, fish, birds, and game after the pipeline is built,
19 or by the extent to which influx of workers, whether it
20 be the temporary influx, the permanent new residents, or
21 the combined effect of the two, will alter, in a manner,
22 unacceptable to significant portions of Yukon people, the
23 social and economic and political fabric of the Yukon, the
24 total culture of the Yukon.

25 Also, I suppose, maybe this
26 process of determining impact should be done without trying

1 to decide which are good impacts and which are bad ones.
2 An impact is an impact, no less so because it may be good
3 or bad. The goodness to one will be badness to another.
4 It is for others, the politicians I suppose, to make that
5 subjective judgement and to do the weighing, balancing,
6 before coming up with a decision. However, I do suppose
7 that you should make it reasonably clear what you have
8 found to be the attitude of significant groups or all
9 Yukoners to each impact. I guess, likely, that Yukon
10 perceptions of impacts are really an inseparable part of
11 the characterization of the nature of the impact.

12 Mr. Chairman, it occurs to me
13 that deciding or recommending whether there should be a
14 pipeline running through here and exactly where if it
15 does come at all, doesn't seem to be part of your job,
16 rather your report is intended as a background report for
17 the information assistance -- and assistance of those who
18 must make the decision.

19 I guess you know better than I
20 the answer to that issue too. I mentioned it here only
21 because it has also occurred to me that you might give
22 some consideration to the content of the presentation of
23 the Yukon Territorial Government. And I want to emphasize
24 that the Yukon Territorial Government, specifically the
25 executive committee consciously decided that your terms of
26 reference did not include deciding or recommending whether

1 there should be a pipeline and if so, where. And also,
2 decided in view of that interpretation of your terms of
3 reference that the formal hearing was not an appropriate
4 forum for YTG, specifically the executive committee to enter
5 the debate about whether there should be or should not
6 be a pipeline. That it would be an abuse of the process
7 of your Inquiry to use the formal hearings as a forum for
8 that debate.

9
10 You should, therefore, view
11 the YTG presentation in that context. The people may wish
12 to infer from that presentation and also from the personal
13 presentation of the members of the Territorial Council,
14 including the Executive Committee members whether the Council
15 and ex-com, are pro-pipeline or anti-pipeline. But, I
16 reiterate that the YTG presentation intentionally does not
17 even purport to it as the to be or not to be question,
18 rather it, for the purposes of this Inquiry, seeks only
19 to address the question of some of the consequences and some
20 of the impacts in the event there is a pipeline.

21 There are some impact issues I wish
22 to comment on,

23 First. The preferential hiring and
24 definition of Yukoner question. This is merely an aspect
25 of the problems of in-migration and economic opportunity
26 and benefit for Yukoners, possibly only a very small aspect
of it. However, clearly, both Foothills, the relevant unions

1 and YTG seem intent on using the definition of a Yukoner
2 for the purpose of helping achieve two objectives.
3

4 One. As one of many steps towards
5 decreasing or mitigating against in-migration, particularly
6 speculative in-migration or direct pipeline jobs, and,

7 Two. To insure the availability
8 of at least some jobs for real honest to goodness Yukoners.
9 Notwithstanding doubts raised by some about whether or
10 how this Yukoner business could be managed. The three
11 parties primarily involved in managing it say it can be
12 managed and they want to manage it and they aren't going to
13 make the Alaska mistakes. Also, the Alaska local hire was
14 not even intended as part of achieving both of those
15 objectives.
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Second, natives and native land claims. I will not attempt to reiterate the YTG position and the Executive Committee stated it and you heard it and everybody else heard it. Others have stated substantially the same position; at the same time the CYI and others have stated conflicting positions. Others have and others will point out to you, the difficulties inherent in the YTG position.

1 I want to comment on one
2 difficulty. I don't really know whose position it is
3 that creates the problem. I suppose maybe it's a problem
4 that just inevitably results from the fact that there are
5 conflicting positions. In any event, it doesn't matter
6 whose position it is that creates the problem. The problem
7 is there.

8 Daniel Johnson pointed out
9 this morning that the CYI and natives have been misinter-
10 preted as being people who are in support of absolute
11 zero growth here in the Yukon and that they are prepared
12 to cause other Yukoners to suffer zero growth. He also,
13 referring to the pipeline, pointed out that this influx,
14 this influx of workers, would entrench southern political,
15 economic and social patterns in the Yukon.

16 The question and the problem
17 now arises. Does this mean that any growth emanating from
18 a non-native source involves risk of influx of similar
19 character and consequence, though possibly of different
20 speed and magnitude.

21 Now, I suggest that that is
22 a problem in assessing impact from the pipeline project.
23 How much of this impact really is attributable to this
24 particular project, how much would have occurred anyway,
25 as an influx which comes and then for the most part goes,
26 preferable to a gradual influx or not. Can native people

1 indeed, be more easily insulated and insulate themselves
2 from a huge but nonetheless largely transitory influx?
3 How transitory is the influx? You may also wonder whether
4 a project such as the pipeline may not indeed be, however
5 unsavoury that reality may be, a necessary impetus to
6 generate a claim settlement, an opportunity for a claims
7 settlement to work out.

8 I raise the question, has it
9 ever in this country, occurred otherwise? I'm sorry sir,
10 but I cannot suggest any answers to any of those questions,
11 but I do suggest that those are relevant questions that
12 you must consider in your deliberations and try to
13 answer.

14 Third, I'd like to speak
15 briefly about in-migration. This is the great concern of
16 YTG, and I suspect all Yukoners, with the possible
17 exception of the beer and spirit vendors We don't want
18 unnecessary multitudes of transient intruders. YTG is of
19 the view that those who are necessary to do the jobs that
20 have to be done are either no burden or are a tolerable
21 burden.

22 The speculative in-migrant
23 is the one that we don't want and he must be limited in
24 number. YTG has suggested some control measures and
25 sincerely, looks forward to and would welcome, suggestions
26 of others, particularly yourselves.

There are a couple of comments that I would like to finish with. I want first

1 to refer to the evidence of Robert Blair, that's right,
2 Robert Blair. He must at sometimes, feel like the accused.
3 He says at page 14 of his direct evidence - "I don't mean
4 to downplay the immense importance of concern and controls
5 about social and economic impacts, but just to remind that
6 an accountable project management can do a lot to make
7 things work, just by the spirit in which the job is
8 approached."

9 "An accountable project manage-
10 ment can do a lot to make things work just by the spirit
11 in which the job is approached." I suggest that that is
12 significant. You can take all your social economic impact
13 statements and predictions and you can consider care-
14 fully, the advice of all of your consultants, consultants
15 who often seem to be more adept at spotting the problems
16 than in devising the solutions. I guess maybe that's why
17 they're consultants rather than managers.

18 It all means nothing, once,
19 and if, the decision is made to go with the project, unless
20 there is in fact, an accountable project management,
21 determines to maximize the good and minimize the adverse.
22 If this project goes through, then it looks like Foothills
23 is likely going to be the management.
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1 I suggest that your assessment
2 of that intangible accountability and spirit of management
3 is relevant to your total assessment of each individual
4 impact and all impacts: Where it is that Foothills
5 headquarters, where do they carry on business, where will
6 the Yukon project headquarters be, where will project
7 management live, and even down to the question of what was
8 the deportment and character of their personnel before
9 the Inquiry, and is that indicative of the probable character
10 of project management.

11 The answers to these questions
12 are even more important than the in-migration statistics
13 of Alaska. There is also another vital point of
14 accountability. The Government is expected to control and
15 regulate impact, to maximize the good and minimize the bad.
16 The Federal Government decides whether there will be a
17 pipeline, and where it will go.

18 That decision having been made,
19 the Federal Government and Yukon Territorial Government
20 must then exercise their function of control and regulation.
21 The real onus, the real responsibility and accountability
22 with respect to most of the socio-economic impact rests on
23 the shoulders of the Yukon Territorial Government.

24 Now, an interesting thing has
25 occurred during this Inquiry. Every Territorial Councillor
26 has appeared and made a presentation. Every member of the

1 Executive Committee has. Another significant thing occurred.
2 Y.T.G. appeared and made a presentation. I'm not referring
3 here to the fact that they sent me along to sit and watch
4 and make a nuisance of myself asking stupid questions. I'm
5 referring to the fact that Y.T.G. submitted the written
6 brief it did and even more important, that Ex-Com, three
7 elected members of that Government and one appointed member,
8 appeared and spoke to that presentation.

9 How many provincial cabinet
10 ministers appeared before the N.E.B. or the Berger, even to
11 watch, let alone to testify. I think probably they just
12 sent civil servants along. I don't say this to criticize
13 the provinces, I say it simply for the purpose of pointing
14 out a difference between the Yukon and Outside. There
15 can be endless debate about the merit or absence of merit
16 in what Y.T.G. said. My point is this: the significant
17 thing is that they, the elected politicians, came forward
18 and said it.

19 I'm new here. However, I got
20 here soon enough to qualify for a priority number two
21 Yukoner. I was born and raised outside and I have lived
22 and worked outside in several different parts of the
23 country. I suggest that with the possible exception of
24 the Province of Prince Edward Island, no other elected
25 government in this country is so directly accountable to
26 and subject to influence by it's electorate and as so

1 extensively, and fortunately not, insulated by bureaucracy
2 from the electorate.

3 In short, the Yukon Territorial
4 Government, the Territorial Council, the Executive Committee,
5 and through them even the bureaucracy are substantially
6 accountable to the Yukon electorate. Accountability carries
7 with it a degree of responsiveness.

8 If the Federal Government says
9 there is to be a pipeline, then both, the accountability
10 of project management and of the government is going to
11 be important and is going to be important to the assessment
12 of the impact, maybe not to a listing of impacts, but
13 certainly to the assessment of magnitude and more particularly
14 ability and willingness to cope.

15 A final observation, who is it
16 that project management and government would be accountable
17 to up here. Obviously, the Yukoners, but there is an
18 interesting thing, that I suggest can be observed about
19 these Yukoners. Some support the pipeline and others
20 oppose it, and I guess that isn't surprising, but what
21 I think is surprising is this: There seems to be an amazing
22 degree of unanimity, even amongst those who support and
23 those who oppose, these Yukoners do not want undue,
24 unnecessary, or inalterable change imposed on the topography
25 the physical resources of the Yukon, or on the society and
26 values and to the human resources of the Yukon.

1 They are almost to a person
2 emphatically protective of the Yukon as it now is. They
3 differ primarily only in their judgment and their conclusions
4 about what the consequences of the project would be.

5 I think you have heard very few
6 gung-ho developers; development for the sake of development.
7 Development projects because projects are good just because
8 they are projects. I think that the community hearings in
9 particular have probably tended to show that there, even
10 amongst those who stand up in favour of the project, are
11 somewhat skeptical about the project and tends to have
12 qualified their favour by, "and I'm in favour of it, as long
13 as.....". The 'as long as' is related to control of what
14 they individually foresee to be adverse effects.

15 I don't now purport to have just
16 elucidated a profound analysis. In retrospect it seems
17 pretty simplistic, some would say inaccurate. But I think
18 it is important because it is an attitude that will
19 inevitably be communicated to government and to project
20 management, and to the extent that government and project
21 management are accountable in the event that there is
22 a project, and I suggest that they are very much accountable,
23 it will influence their conduct.

24 It is therefore an intangible
25 which I suggest is relevant to the very question of
26 assessing the magnitude of impact and the ability to cope

1 with the impact. Yet, together with accountability you
2 have got a lot of project management generate the willingness
3 and the determination to maximize the beneficial and
4 minimize the adverse. Maybe that happens to be the big
5 difference between this project and the Alyeska project;
6 between this project and the Syncrude project.

7 Mr. Chairman, I close now with
8 a personal comment. I am very pleased, once again, to have
9 worked with you, and while I am confident that I can beat
10 you on a tennis court if we ever happen to get there, I'm
11 sure that few if any, could have better performed the
12 task that you have undertaken as Chairman of this Inquiry.

13 MR. CHAIRMAN: Thank you for that
14 very thoughtful submission and for the kind remarks Mr.
15 Horton. I would just add that it has not escaped the
16 attention of this Board that we have heard without exception
17 from the MLA's at our various hearings. Some of them more
18 than once, from members of the Executive Committee, again
19 some instances in their official capacity, as well as
20 personal submissions. And as I mentioned the other day,
21 we acknowledge and wish to express our appreciation for
22 the great amount of good work that went into the materials
23 that were submitted in conjunction with the appearance
24 of the Commissioner and his colleagues on the panel a few
25 days ago.

1 No, Mr. Goudge?

2 MR. GOUDGE: Yes sir, I
3 propose to close what's been a very long day, with just
4 a few remarks if I might.

5 MR. CHAIRMAN: I wonder if
6 before you do that, we mightn't all benefit by a two
7 minute stretch.

8 MR. GOUDGE: Sure, by all means.

9 (PROCEEDINGS ADJOURNED).

10 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

11 MR. CHAIRMAN: Ladies and
12 gentlemen, we're ready to proceed now. Could I ask you to
13 take your seats please and I'll call on Mr. Goudge.

14 ARGUMENT BY MR. GOUDGE:

15 MR. GOUDGE: Yes sir, if I
16 could conclude today with just a few brief submissions.
17 It's been a long day and you've heard a lot and you've
18 heard a lot of evidence prior to that. Your task began
19 with your terms of reference indicating that you are
20 charged with the duty of conducting a preliminary Inquiry
21 into the broad socio and economic impacts of the proposal
22 by Foothills Pipe Lines to build a gas transmission system
23 through the southern Yukon.

24 At the very beginning of the
25 process, you decided as you'll recall, to include within
26 your scope, any information proffered about the
two or three possible routes for a pipeline through the

1 southern Yukon.

2 On the one hand, the
3 rationale of this method of proceeding is apparent. The
4 fact that some, indeed many Yukoners, saw real advantages
5 in a route other than that along the Alaska Highway and
6 the goal of course, of all of us, should be that if an
7 overland Yukon route is deemed in the national interest,
8 the best route possible be selected through the southern
9 Yukon.

10 At the same time, it must be
11 remembered it seems to me, that any route other than the
12 route applied for, has not been given detailed study, nor
13 have Yukoners in general, had any reason to think, at
14 least until July the 4th, that any other route would be
15 built by Foothills or anyone else.

16 As Yukoners have told you
17 through this process, there are two or three other major
18 possible routes. The Klondike Highway route, the Tintina
19 Trench route, the route along the Campbell Highway - each
20 of these appears at this early stage at least, to have
21 some real potential.

22 The consequence in my respect-
23 ful submission is that two major handicaps exist for
24 the Federal Government if indeed, it feels that a southern
25 Yukon route for a gas pipeline is in the national
26 interest. These handicaps exist if the government purports

1 at this time, to select a particular route through the
2 southern Yukon and there as follows in my respectful
3 submission, firstly, the data base does not exist to
4 permit the rational comparison or a rational choice of the
5 two or three possible alternatives. Secondly, there has
6 been no informed public consultation by Yukoners on the
7 basis that Foothills is prepared to build along any of
8 the two or three alternative southern Yukon routes.

9 In my submission sir, this
10 is the inevitable conclusion to be drawn from the record
11 of this Inquiry, which has gathered more social and
12 economic data about southern Yukon pipeline routes than
13 any other. In this context, in my respectful submission,
14 the decision of the National Energy Board recommending
15 the Klondike Highway route is astonishing.

16 That route has received in
17 my respectful submission, but one study by the applicant,
18 an engineering and economic feasibility study and there
19 is absolutely no data base on which to conclude that it is
20 the best particular route through the southern Yukon from
21 the social and economic point of view. Nor has that
22 route received any real public scrutiny or discussion by
23 Yukoners, because until July the 4th, Yukoners were
24 unaware as indeed was everyone, that Foothills might well
25 be asked to build along that route.
26

Viewed in this light, the specific recommendation of the Energy Board for routing through the

1 southern Yukon, is in my respectful submissions, simply a
2 unacceptable decision making. And that is something which,
3 in my respectful submission, the government should be
4 aware.

5 If a pipeline across southern
6 Yukon is deemed to be in the national interest, and that
7 is for the government of the country to say, it should be
8 permitted in my respectful submission, only within a southern
9 Yukon corridor, and I underline the word corridor, not
10 along a specific route.

11 In closing this issue let me
12 say this, that it's ironic that as the major Canadian
13 regulatory review of Northern Pipelines draws to a con-
14 clusion some three and a half years after it began and
15 at the close of some three or four separate hearings, we
16 return to the proposition that some, for example, Mr.
17 Templeton, have been asserting from the beginning.

18 That the major task to be done
19 first is to select a corridor and only then do you go on
20 to select a precise route.

21 I submit, therefore, Mr. Chairman
22 and members of the Board that your concentration should be
23 framed in terms of corridor and before coming to corridor
24 let me deal with the one major aspect of the information
25 before you that extends beyond the southern Yukon corridor
26 that I've spoken of. And that relates, of course, to the

1 Dempster lateral.

2 My submission on that sir,
3 is that, you've heard a great deal about the information
4 base relating to the Dempster lateral and it's inadequacy.
5 Its comparison as a data base with that existing for the
6 MacKenzie Valley route or indeed, for the route along the
7 Alaska Highway itself.

8 In addition, the other major
9 factor relating to the Dempster lateral in my submission,
10 is what you have heard about the dependence of the
11 Old Crow people on the Porcupine caribou herd and the
12 relationship between that herd, the Dempster Highway and
13 the Dempster lateral. And in my submission, you will have
14 to consider seriously those two factors in addressing the
15 possibility of a Dempster lateral now or later.

1 Finally, Mr. Chairman and
2 Members of the Board, let me come to the corridor itself,
3 which in my submission is crucial for your mandate. Your
4 task is to address the socio and economic impacts that a
5 proposed gas pipeline would have on a southern Yukon
6 corridor.

7 At the evidentiary level
8 perhaps the key issue that you have heard about today in
9 submissions, and indeed that you have heard about at length
10 throughout these hearings is that of in-migration. A great
11 deal of evidence has been offered to you in an attempt
12 to assist you in determining as best evidence can, what is
13 likely to occur as the future unfolds. And the range of
14 projections has been substantial. The applicant
15 pipeline company has given you their assumptions and
16 their minimum impact assertions and has projected figures
17 for you on that basis.

18 Others have offered far
19 different assumptions leading to higher numbers. In my
20 respectful submission in analyzing that data base, the
21 major analysis rests with the choice of assumptions and
22 the choice of controls in determining the outcome or
23 the range of outcome if one is analyzing numbers.

24 Beyond the evidentiary level,
25 it's for you to determine the impacts on the economy of
26 Yukon. What may be disadvantages or example matters of

1 local inflation, and indeed what may be advantages, local
2 business participation, revenue generation and other
3 matters of which you have heard.

4 On the social side, it's for
5 you to determine the impacts on the social fabric of Yukon;
6 on the native people, on the whites, and indeed on all
7 Yukoners. In making this assessment, in my submission,
8 the timing and the regulation of the project is crucial, for
9 ultimately your task, your challenge, is to determine whether
10 and indeed under how, and under what circumstances the
11 pipeline can be rendered acceptable to the economic structures
12 and the social fabrics of this unique land.

13 In closing, let me simply say
14 that the hearing process now is virtually at an end. We
15 have covered a lot of ground since May 11th. We have over
16 seven thousand pages of transcript. My submission is a
17 lot has been accomplished. The co-operation of all
18 participants and their council has been of the highest
19 order, and it's been co-operation given despite what we
20 all recognize to have been the great pressures under
21 which we have worked.

22 I would like to say that
23 without this co-operation, my job in attempting to assist
24 keeping this Inquiry under way and on track would have been
25 next to impossible. I would like to simply conclude by
26 expressing my gratitude to the participants and their

1 council for that co-operation without which my task would
2 have been much more difficult.

3 I think sir those are the
4 submissions that I can usefully make at this stage.

5 MR. CHAIRMAN: Thank you, Mr.
6 Goudge. The Board of course fully endorses and would like
7 to join in expressing appreciation for the co-operation
8 that all participants have given to date and I will perhaps
9 have a bit more to say about that tomorrow.

10 Now, I understand it is
11 proposed that we start a little bit later tomorrow morning
12 to allow participants some extra time to study the
13 transcript of today's argument?

14 MR. GOUDGE: Yes, sir. May I
15 remind them that the transcript will be available, I would
16 anticipate by eight thirty or nine this evening, and our
17 office will be open, of course to permit participants to
18 pick it up there.

19 With that in mind, I would
20 suggest sir that we begin at eleven o'clock here tomorrow
21 morning for the purposes of reply submissions and the
22 order that we will go through then, save for myself is the
23 reversal order from the one that we used today.

24 MR. CHAIRMAN: All right. Thank
25 you Mr. Goudge for your submission and we now adjourn until
26 eleven o'clock tomorrow morning.

(PROCEEDINGS ADJOURNED)

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Alaska Highway
Pipeline Inquiry

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Vol. 50 July 14, 1977

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Vol. 50

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE
 LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS,
 AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE
 INTERESTS IN THOSE AREAS OF TERRITORIAL LAND IN THE
 YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUC-
 TION AND OPERATION OF THE SAID NATURAL GAS PIPELINE
 AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND
 INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-
 ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K.M. LYSYK, Esq., O.C. CHAIRMAN

WILLARD PHELPS, Esq. MEMBER

MRS. EDITH BOHMER MEMBER

REPLY TO ARGUMENT

VOLUME 51

WHITEHORSE, YUKON TERRITORY

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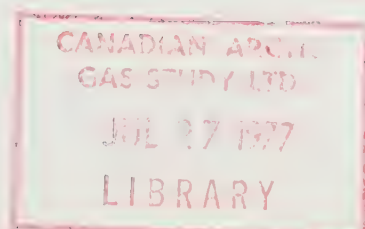
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<u>Exhibit No.</u>		<u>Date</u>
	Terms of Reference	May 11/77
2	Advertisement of Hearings	May 11/77
	Application of Foothills Pipe Lines (Yukon) Ltd. and Accompanying Volumes and Align. Sheets	May 11/77
	Studies relating to Alt. Methods of Connecting Mackenzie Delta Gas, [redacted]	May 11/77
	Booklet -- Socio-Economic Policies and Undertakings	May 11/77
6	Booklet Projected Price of Light Fuel Oil and Elec. Energy in Selected Yukon Communities 1976 - 1992, Nov. 76, Nth Group Consulting	May 11/77
	Booklet, Projected Price of Light Fuel Oil and Elec. Energy in Selected Yukon Communities, 1976 - 1992. Jan. 10/77 Nth Gp. Consulting	May 11/77
	Alaska Highway 48" Pipeline Proj. Logistics Requirements and Costs, Trimac Cons. Services Ltd.	May 11/77
	Native Seed Multiplication, Vaartnou & Sons Enterprises Ltd., Jan/77	May 11/77
10	Velocity Attenuation Curves	May 11/77
	C.N. Comm. Supply of Telecommunica- tion Services during const. and operation phases of the Alcan Gas Pipeline Project. Feb. 77	May 11/77
	Report on River Bed Scour, White River and Donjek River, Y.T. Unies Ltd.	May 11/77
13	Summary of Frost Heave Design, E.B.A. Engineering Consult. Ltd.	May 11/77
14	Pipeline Design at Fault Crossings	May 11/77
15	Design Data for Major River Crossings Canuk Eng. Let., Dec. 76	May 11/77
16	Pre-l. Inventory of Fish Resources In Southern Yukon Territory, 1976, Beak Consultants Limited, Jan. 77	May 11/77

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17	Nthn Revegetation Research, Vaartnou & Sons Enterprises Ltd. Jan. 77	May 11/77
18	Fall 1976, Waterfowl Migration Impli- cations for the Proposed Alaska Highway Pipeline, Sthn Yukon. Beak Consultants Limited, Dec. 76	May 11/77
19	Anticipated Thaw Settlement Foothills (Yukon) Pipeline Route, Klohn Leonoff Consultants Ltd.	May 11/77
20	Terrain Evaluation for Foothills (Yukon) Pipeline Route, Klohn Leonoff Consultants Ltd.	May 11/77
21	Mackenzie Sewage, Aug. 75, Assoc. Eng. Services Ltd. May 5/77	May 11/77
22	Envir. Orientation Program, A Conceptual Review, Feb. 10/76	May 11/77
23	Interim Report-Revegetation Research Proj. Vaartnou & Sons Ltd., Dec. 75	May 11/77
24	Feasibility Study for Using Remote Sensing for Envir. Surveillance of Arctic Pipelines. Intera Env. Consultants Ltd.	May 11/77
25	Geological Eng. Studies, Sheep Mtn and Shakwak Fault Areas, Alcan Corridor, Y.T. Pproule Associates Limited	May 11/77
26	Appendix II, Route Photographs, Caruck Eng. Ltd. Oct. 76	May 11/77
27	Test Hole Logs, Foothills (Yukon) Pipeline Route	May 11/77
28	Map showing route	May 11/77
29	Detailed Route Map	May 11/77
30	Seismic Design Procedures, Klohn Leonoff Consultants Ltd.	May 11/77
31	Land Use Map	May 16/77
32	Outline and Schedule, Presentation to Alaska Hwy P/Line Inquiry by Alaska Hwy P/Line Panel	May 16/77
33	Initial Environmental Evaluation of the Proposed Alaska Highway Gas Pipeline, Y.T.	May 16/77

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34	E.P.S. -2-NW-76-1, Assessment of Environmental Protection Activities on the Mackenzie Valley Gas P/Line Project	May 18/77
35	Copy of Telegram May 17/77 from K.M. Lysyk to Hon. W. Allmand	May 18/77
36	Telex May 18/77 from A. Kroeger to Dean K.M. Lysyk	May 18/77
37	Submission of James M. Robertson and Velma I. Robertson	May 18/77
38	NORTRAN - Employment and Training for Northerns	May 19/77
39	Yukon Transportation Association brief	May 20/77
40	White Pass & Yukon Corporation Ltd.	May 20/77
41	Whitehorse Chamber of Commerce	May 20/77
42	Statement from Hon. A.J. MacEachen	May 20/77
43	Report by Robert W. Retherford Associates, March 1977 - North Slope Natural Gas Transport Systems and Their Potential Impact on Electric Power Supply and Uses in Alaska	May 20/77
44	City of Whitehorse and Yukon Assoc. of Municipalities	May 20/77
45	Brief on Dr. J.K. Naysmith, Federal Govt's Special Claims Rep. (Yukon)	May 20/77
46	Yukon Conservation Society, brief	May 20/77
47	Brief by Louise Geddes	June 8/77
48	Map of Y.T. with Mineral Deposits Marked	June 9/77
49	List of Trappers	June 14/77
50	Cassette Tape - Statements by Joe Henry et al	June 16/77
51	Fairbanks North Star Borough Pipeline Impact Info. Centre Reports 1 - 34, July 11/74 - Feb. 23/77	June 27/77

	Fairbanks North Star Borough Impact Info. Centre Special Report No. 10 - 1977	June 27/77
	Agreement and Grant of Right of Way for Trans-Alaska Pipeline between U.S.A. and Amerada Hess Corp. et al	June 27/77
	Environmental Assessment Atlas, Proposed Trans-Alaska Pipeline System	June 27/77
5	ANTNA Inc. Annual Report 1976, "Limited Capitalism" by Dean F. Olson; "Comparative Financial Analysis, 1975, ANCSA Reg. Corps. Dean F. Olson and Nickolas Jackson; "Money, Markets and Mgmt", by Dean F. Olson	June 27/77
	By-Laws and Articles of Incorporation ANTNA Inc	June 27/77
57	"One Year Later, Copper River Valley Pipeline Impact Report", by Thea Smelcer	June 27/77
58	Planning Council Documents 1, 2 and 3, provided by Dr. J.K. Naysmith	June 27/77
	Together Today For Our Children Tomorrow, Jan, 1973	June 27/77
	Dr. J.K. Naysmith's Address to the CYI Annual General Assembly, April 15/77	June 27/77
61	Y.T.C. Standing Committee on Yukon Land Claims, Meeting #7, Jan. 21/77	June 27/77
62	Letter June 17/77 C.B. Virtue of FORTAN to Commission Counsel	June 27/77
63	Evidence of Foothills Panel, Burrell, Macleod, Miller	June 27/77
64	Taxation Ordinance, April 28/77	June 27/77
65	Order, S.C.Y.T., Feb. 14/77	June 27/77
66	Excerpt from Y.T. Debates, Mar. 3/77	June 27/77
67	Letter dated June 20/77, El Paso to Prime Minister re tankers	June 28/77
68	Article from Scientific American April 1977, Vol. 236, No. 4, "The Importation of Liquefied Natural Gas"	June 28/77

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Ladies and gentlemen, I believe we're now ready to head into the last lap. Mr. Goudge?

MR. GOUDGE: Yes, Mr. Chairman and Members of the Board. This morning, as I suggested yesterday, we've convened to hear reply submissions by the participants. This, at my doing, because it seemed to me proper that after the intensive and relatively concerted process that we've been through over the last ten weeks and the submissions that were made at some length yesterday, it was desirable in the interests both of fairness and completeness to offer all the participants who have been regular players in this piece the opportunity to consider what others said yesterday by way of final submissions, and, in the usual way, to respond to that.

I would propose, sir, that we go through these participants in the reverse order that we followed yesterday and then I will once again conclude, if I may.

So, with that, sir, I would ask first for Mr. Horton, for the Government of Yukon, to begin. Before he does that, Mr. Hudson has one or two filings to make.

MR. HUDSON: Mr. Chairman, just some -- to put on the record some of those responses to undertakings given. And the first is a response to a

request by Mr. Phelps, found at page 3796a. The second is a response to an undertaking found at page 1300. The third is one to a request by Mrs. Bohmer, at page 3911. The next is the response to a request by Mr. Bayly, to be found at 3862. The next is the response by Mr. Littledale to a request by you, Mr. Chairman, to be found at page 3912. And another is a response to a request by Mr. Goudge, found at page 1239. A further one is the response to a request by Mr. Goudge at 3712. Another to a request by Mr. Goudge at page 1241. Another to a request by Mr. Marshall, whoever he is, to be found at page 3674. Another is a request -- a response to a request by Mr. Bayly - we all know who he is - page 1233, and the final one is the response to a request by Mr. Goudge at page 1243.

(RESPONSE TO REQUEST BY MR. BAYLY, VOLUME 8,
PAGE 1233, MARKED AS EXHIBIT 167)

(RESPONSE TO REQUEST BY MR. GOUDGE, PAGE 1241 -
43, MARKED AS EXHIBIT 168)

(RESPONSE TO REQUEST BY MR. GOUDGE, PAGE 3712,
MARKED AS EXHIBIT 169)

(RESPONSE TO REQUEST BY MR. GOUDGE, VOLUME 8,
PAGE 1239, MARKED AS EXHIBIT 170)

(RESPONSE TO REQUEST BY MR. CHAIRMAN, VOLUME 32,
PAGE 3912, MARKED AS EXHIBIT 171)

(RESPONSE TO REQUEST BY MR. BAYLY, VOLUME 32,

PAGE 3862, MARKED AS EXHIBIT 172)

(RESPONSE TO REQUEST BY MRS. BOHMFR, VOLUME 32,
PAGE 3911, MARKED AS EXHIBIT 173)

(REQUEST BY MR. GOUDGE, VOLUME 8, PAGE 1300,
MARKED AS EXHIBIT 174)

RESPONSE TO REQUEST BY MR. PHELPS, VOLUME 30.

PAGE 3796A, MARKED AS EXHIBIT 175)

(RESPONSE TO REQUEST BY MR. MARSHALL, VOLUME 31,
PAGES 3674 0 76, MARKED AS EXHIBIT 176)

(RESPONSE TO REQUEST BY MR. GOUDGE, VOLUME 8,
PAGE 1234, MARKED AS EXHIBIT 177)

MR. CHAIRMAN: Thank you,
Mr. Hudson.

MR. GOUDGE: Yes, sir, Mr.
Horton, for the Government of Yukon.

MR. HORTON: REPLY TO ARGUMENT:

MR. HORTON: Mr. Chairman,
I hesitate to come forward now and do anything to intro-
duce an element of seriousness into the general jocu-
larity and levity that -- now that school seems to be out,
if I may steal a phrase from David Joe, who I think was
probably quite accurately capulized in that statement
the prevailing atmosphere of the morning.

There are a few comments
I'd like to make. One is simply in clarification of a

In the YTC presentation both the written presentation at pages twenty nine and thirty and also page seven of the Commissioner's written statement, A reference is made to the sales tax, but I think it's clear on a reading of those references that the imposition of a sales tax was not being proposed. That the subject matter of the sales tax was referred to simply for the purpose of illustrating an amount of revenue that the Yukon, in effect, loses because it does not impose a similar type of tax to that which Foothills Pipeline Company, if it does build the project, would be paying in provinces of British Columbia and Saskatchewan and it's the illustration is there merely as disclosing a revenue lost through the lack of that type of taxing revenue.

Also, I think primarily in response to part of the argument of Mr. Bayly I do suggest that it is not necessary for the pipeline project and therefore, the assessment of impact to be viewed in the context that it necessarily triggers other development. I think it's quite clear from the presentation of YTG and I think, particularly from statements of Danny Lang that future projects are viewed as exactly that. They will have to stand on their own merits and that there does not seem to be any necessary connection whatsoever. I mean necessary automatic connection, whatsoever, between the pipeline project, things like hydro-electric or new mining development

automatically following as a result of the pipeline development.

The Dempster Highway and the Dempster lateral, of course, have been the subject of great debate throughout evidence and argument. And, I think, that it's certainly implicit and, in fact, it's explicit in some portions of the document filed by Commissioner Pearson, the report on the Dempster Highway and proposals for management of the highway corridor, that caribou and grizzly bears aren't the only ones that have rights and interests. That human beings do to and that the Dempster Highway, is in fact, there and the YTG is in the process of planning an extensive management control strategy for the whole highway and that strategy is outlined in that report.

And I think that pipeline, or no pipeline it can be taken as a fact, that the highway is going to be there and the highway is going to be used. I think that that is just as much a fact as is the existence of the Porcupine herd a fact, or as is our presence here today a fact.

I think clearly it is implicit and indeed in some places, explicit, particularly in the report on the Dempster Highway filed by Commissioner Pearson, that there is a difference in attitude, a difference in philosophy between that report on the one hand, and the philosophy or attitude being expressed by Mr. Bayly in his argument; and I think, really, that is the crux of the matter. It is that difference in attitude, and philosophy of use of the wilderness.

I think that clearly that report indicates a philosophy recognizing that simultaneous with protection of all of the attractiveness of that area. There is also an opportunity for controlled management of access to, and use of, that area. And that while further study may be necessary for the purpose of working out the precise mechanisms of control, it seems that enough, at least is known, that control and protection is possible, and that the further study is really necessary only to get down to the precise mechanisms and how best to achieve the control.

Mr. Goudge yesterday had some very unkind words for the National Energy Board. I don't wish to enter into a debate here today about whether the National Energy Board was right or wrong, however, I do suggest that if one looks at the National Energy Board decision solely through the view of Yukon eyes, if one looks at it on the assumption that the pipeline starts and ends at the boundaries of the Yukon Territory, then Mr. Goudge's

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comments are probably quite well taken.

However, clearly the National Energy Board could not look at it's decision through those eyes. It clearly had to take into account many other factors. I wish to comment on that solely for the purpose of I suppose trying to suggest that it's very easy for -- there will be all kinds of criticism about the proposed routes chosen by the N.E.B. in lack of -- in view of lack of complete study and specific route proposals along those proposed corridors.

But the distinction between Yukon eyes and national eyes is very germane to that whole problem.

That is, I think, about all that I wish to say by way of response or reply, and I'll now pass to Mr. Bayly or whoever it is next in line.

MR. GOUDGE: Mr. Chairman, I call next Mr. Crum for the Yukon Conservation Society.

REPLY TO ARGUMENT BY MR. CRUM:

MR. CRUM: Mr. Chairman, with respect to Mr. Bayly, we all know who he is, but does anyone know where he is?

Mr. Chairman and members of the Board, I would like to close the presentation of the Conservation Society with a few short remarks.

Mr. Chairman, we agree with the applicant that a significant difference between a potential pipeline through the Yukon and the Alaskan experience is the

1 I believe that we all agree
2 that we have an opportunity to avoid in the Yukon, the
3 adverse results of pipeline construction experienced in
4 Alaska, but not we submit, Mr. Chairman, based on the
5 quality of evidence and information provided you by the
6 applicant. You must remember that not only are you
7 facilitating a unique approach to decision-making, you are
8 also striving for a unique historical result, planned
9 major development without major upheaval.

10 We were pleased indeed to
11 hear the comments of Commission Counsel yesterday. We
12 endorse his comments on a corridor approach to open a
13 route selection in the southern Yukon. We too were
14 astonished with the decision of the National Energy Board
15 and we applaud his remarks regarding a potential Dempster
16 lateral.

17 Mr. Chairman, a corridor not
18 only exists in space, it also exists in time. You and
19 your Board members must address the future of the Yukon
20 and a course for it which a gas pipeline would chart as
21 an integral part of the corridor concept.

22 Mr. Chairman, the Yukon
23 Conservation Society would like to express to you, its
24 appreciation in having been able to participate in hope-
25 fully, a meaningful way in your Inquiry.

26 In our opinion, you have

1 done admirably well with the short time given to you and
2 we are confident that your report will be prepared with
3 the fairness we have come to expect of you. Thank you.

4 MR. GOUDGE: Next, Mr.
5 Chairman, members of the Board, Mr. Templeton for the
6 Alaska Highway Pipeline Panel.

7
8 MR. TEMPLETON: Mr. Chairman,
9 for the first time, I'd like to say that I have nothing
10 further to say.

11 MR. GOUDGE: Mr. Morrison
12 for the Whitehorse Chamber of Commerce?

13 MR. MORRISON: I have
14 nothing further to say Mr. Chairman. Thank you.

15 MR. CHAIRMAN: Thank you
16 Mr. Morrison.

17 MR. GOUDGE: Mr. Joe for
18 the Council for Yukon Indians?

19 MR. JOE: Just to break the
20 trend of the set Mr. Chairman, I do have something to
21 say.

22 REPLY TO ARGUMENT BY MR. JOE:

23 MR. JOE: A couple of brief
24 comments in reply to our rebuttal Mr. Chairman. Firstly,
25 it is our submission that on the admitted lack of studies
by Foothills, that to accept and adopt their evidence at

1 this time, would be contrary to responsible decision-
2 making. We submit that the most responsible method of
3 deciding on socio-economic impact is to have all requisite
4 studies completed and assessed prior to a decision in
5 principle. Notwithstanding the argument that the applicatio
6 appears to meet the standards required by the National
7 Energy Board, we submit there is insufficient evidence
8 before you to make an informal recommendation in favour
9 of the Foothills' proposal.

10 In this respect, we support
11 the comments of Commission Counsel, Mr. Goudge, that
12 the National Energy Board decision recommending the
13 Klondike Highway as unacceptable.

14 In addition Mr. Chairman,
15 we submit that in comparing the applicability of either
16 the Alaska or the Northwestern B.C. experiences relating
17 to pipelines, the relevant point to remember is that in
18 both Alaska and Northwestern B.C., the native people
19 were able to reap some benefits and mitigate against
20 impact through prior settlement of their land claims.

21 We submit that this will
22 not be the case in the Yukon should a pipeline proceed
23 a just and equitable land claim settlement. I'd conclude
24 at that point Mr. Chairman, I'm a bit hesitant because
25 I see Mr. Hudson is going over his notes, but nonetheless,
26 I would like to thank you and the staff of the Inquiry

1 for, as well as the Federal Government, for providing this
2 rather unique forum for me to complete my articles in
3 respect to administrative law.

4 I would also like to express
5 an appreciative thank you to what I hope to be my future
6 colleagues, for revealing to me, many of the cross-
7 examination techniques which I have hoped I have learned
8 something from. Again, thank you Mr. Chairman.

9 MR. CHAIRMAN: Thank you very
10 much indeed Mr. Joe.

11 MR. GOUDGE: Mr. Hudson for
12 Foothills Pipe Lines.

13 MR. HUDSON: Thank you Mr.
14 Chairman.

15 REPLY TO ARGUMENT BY MR. HUDSON:

16 MR. HUDSON: One first
17 reference to the -- a couple actually -- to the argument
18 of the CYI and the reference again to the gun at the
19 head proposition that's referred to in the reference to
20 Mr. McCullum's testimony.

21 Dr. Naysmith has pointed out
22 a schedule which in my submission, is compatible with the
23 project proceeding and that's of course, found at page
24 7067 of the transcript.

25
26

Mr. Pratt, who testified concerning Fort McMurray, spoke with considerable authority of an agreement relating to Syncrude and he didn't see, nor did he perceive the native people there to see that there was any prejudice arising out of that particular situation and I urge your further examination of that.

It submitted that the liklihood that the involvement of the native people in a pipeline development in whatever way they may see fit, as a bargaining tool is supported by the evidence more than is the "gun at the head" theory and I prefer that evidence.

Reference is made to the alternative uses of capital. It's my understand that by our system capital is used where the owners or controller of that capital deem it most appropriate.

I'd just like to point out that I don't see that there's been any explanation to this Inquiry of how capital, which is intended or available for the project that's under consideration here can be diverted to any local purpose. It simply appears to me that this is not a matter of alternatives in so far as the capital application was concerned with particular regard to the local economy.

Projects who track capital by their potential return and their security and I don't believe that capital will seek out projects which provide

1 a lesser return or a less security and I don't believe
2 there's been any evidence of local alternate uses for
3 capital which would draw from the pool of capital that's
4 available to this project.

5 The CYI, once again, referred
6 to the apparent attitude of the applicant to treat the
7 population of the Yukon as homogenous. I submit that that
8 is not the attitude of the applicant in its document 5A
9 and that that was put to rest in the cross-examination of
10 Mr. Olthius when it was pointed out that his quote when
11 it referred to the population of the Yukon as being
12 homogenous, went on to say the quote that he didn't carry
13 on with was that there was, however, one exception to this
14 observation, the native population.

15 The mention of a quote from
16 Mr. Blair's testimony at page 6312, I commend -- recommend
17 to the Board that the whole of the quote be read in that
18 it isn't as altered upon a full reading than the matter
19 in which it was put forward.

20 I would draw to your attention,
21 Mr. Chairman, that allegations or statements or positions
22 put forward, that the socio-economic impact statement in
23 document 5A is lacking base line data, was withdrawn by
24 Ms. Cruickshank under cross-examination and, further, she
25 went on to agree that the appropriateness of further
26 community profiles that might be needed was untimely prior

to proceeding further.

Reference is made to motherhood policy positions and I would refer you again in that regard to the document of policy positions and the detail, and I urge upon you that a reading of that will deny the description of motherhood policies.

I was going to take issue with the various approaches on estimates of in-migration but I think I'll leave that very difficult task without further comment.

Reference is made to cultural genocide and I simply would like to comment and suggest that this maybe put forward in the concept that merely the more aggressive the opposition, the more likely it is to be believed. I would like to submit that this type of argument can be described as a sensational generalization and that it is more in keeping to undertake a rational examination of the evidence given in the present positive position of the native peoples progress as described by Mr. Naysmith.

Referring to the argument of Mr. Bayly, and I will just make one reference. He urges upon you the preference to the work of Mr. Boorkman and others. I would point out that it is not supported in the evidence that this is necessarily the case to follow. Mr. Boorkman and his people, as you recall, picked a figure

of twenty five percent of the people who would not be
effected by the -- or who would be effected, I should say,
by the mititgative measures and he alters that a couple
of pages later to ten to twenty five percent and in my
submission, there's no basis in the evidence at all for
that figure.

1 They then apply a multiplier to
2 the work force, and I would refer you to the various evidences
3 of Mr. Young, that of Mr. Trusky, which was read in which
4 I believe was accepted by Mr. Boorkman and I believe Mr.
5 Sharp. They were all indicated different multipliers and
6 in each case lower than the .75 that was used. And there is
7 no evidence on a scientific basis as to how Mr. Boorkman
8 went from the figure after the application of the multiplier
9 to his other figure, and I don't put that forward as a
10 criticism in itself, I put it forward as to refute the
11 concept that somebody has done this in a scientific fashion
12 whereas others haven't.

13 It may be that if Mr. Boorkman
14 had talked to a few more taxi drivers he might have come to
15 a different conclusion than the figures that he gave.

16 Finally, Mr. Chairman, reading
17 at page 7240 in Mr. Bayly's argument, he states that the
18 Council for Yukon Indians, the native people, and today
19 Dr. Naysmith has testified that if a pipeline is built before
20 the settlement and implementation of land claims, their
21 freedom to choose such a way of life will be severely
22 impaired and prejudiced, and I would refer you to the
23 testimony of Dr. Naysmith at 7066 for an elaboration, or
24 at least it doesn't deny directly what is said there, but
25 I submit it indicates that the situation is not fully
26 explored in that. I'll just read that.

Mr. R. Hudson
Reply to Argument
Mr. S. Goudge
Reply to Argument

7300

The question was put to Dr.

Naysmith by Mr. Morrison:

"That by reaching final agreement or agreement in principle on page three by January 1979, how does the pipeline question fitting into that, would that then prejudice any final settlement at that point in time? Let's even step back, would it even prejudice final settlement at this point in time?"

And the answer was:

"No, I don't think it would. I think there was one thing I'd like to pick you up on that was very important and that is you said a pipeline decision fitting in with the claims process and I think you have your priorities ..."

I think that question and answer describes the situation more fully than was so in Mr. Bayly's argument.

Those are my comments on the arguments. Thank you Mr. Chairman.

REPLY TO ARGUMENT BY MR. GOUDGE:

MR. GOUDGE: Just let me conclude Mr. Chairman and Members of the Board by just saying one or two things briefly myself. I have no further submissions to make of a substantive sort.

One filing to finish our record, a document handed to me just a moment ago. It's the document

that was referred to in evidence yesterday, the Planning Council Position - Yukon Indian Claims Settlement Model Paper, Document Number Four, which has just been released today and which I would propose to table as our final exhibit.

(PLANNING COUNCIL POSITION - YUKON INDIAN CLAIMS SETTLEMENT MODEL PAPER, DOCUMENT #4, MARKED AS EXHIBIT NUMBER 178)

MR. GOUDGE: One or two comments Mr. Chairman and Members of the Board on the process that we have attempted to use in this Inquiry. We have endeavored to conduct it as fairly and openly as possible. We have covered a lot of ground in the last ten weeks since May 11th, visited some seventeen communities and accumulated some seven thousand pages of transcript.

1 I said yesterday that we
2 could not have done that without the co-operation, the
3 full co-operation of the participants and their counsel,
4 for which I expressed my thanks. Clearly, we could not
5 have done it without the full co-operation of Yukoners.

6 And lastly, and perhaps
7 most importantly, this could not have been done without
8 the unfailing patience and courtesy that you and your
9 colleagues have displayed throughout.

10 Those are the submissions
11 I have, sir.

12 MR. CHAIRMAN: Thank you,
13 Mr. Goudge. I've just a comment or two before school
14 lets out.

15 Since these hearings
16 commenced just over two months ago, this Board has
17 learned a good deal about pipelines and what Yukoners
18 think about them.

19 In that short period, I'm
20 informed that we've held twenty-two days of formal hear-
21 ings here in Whitehorse and twenty-seven days of
22 community hearings all over the Yukon.

23 Of the five hundred and
24 seventy-six witnesses we have heard from, five hundred
25 and two spoke to us at the community hearings. To hear
26 from them, I'm told that our travels around the Yukon

1 included about six thousand miles by air and eleven
2 hundred by road.

3 We've learned enough about
4 the variety of views held by Yukoners to realize, regret-
5 fully, that no matter what the nature of the recommenda-
6 tions we bring down, we cannot fail to disappoint a
7 significant segment of public opinion here. That, I
8 suppose, is one of the hazards of the Inquiry business.

9 But apart from the nature
10 of our recommendations, there are, we believe, some
11 things which emerged from the process, from the process
12 itself, from which all Yukoners can properly take
13 satisfaction.

14 They can take some pride
15 in the fact that participatory democracy appears to be
16 alive and well here in the Yukon. The Board was grati-
17 fied at the large numbers who turned out for our hearings
18 all over the Yukon, the number of those who came forward
19 to tell us their views and the time and thought that
20 many obviously put into preparing the submissions they
21 made to us.

22 Second, as Yukoners and
23 as Canadians, it must be source of considerable satis-
24 faction that the discussions, frequently involving
25 deeply held convictions and values, were carried out in
26 a spirit of good will and a genuine desire to gain and

1 convey understanding.

2
3 You've heard the comment
4 made that hearings of this nature, because they involve
5 issues on which there can be profound disagreement, are
6 potentially divisive. That has not been our experience.
7 We have found the hearing process, with the opportunity
8 it provides to bring these differences of opinion into
9 the open, to contribute to understanding rather than
10 the opposite.

11 The community hearings in
12 particular provided a form for members of the community
13 to come together to discuss important issues in a way
14 that all too rarely occurs.
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When the hearings opened, I stated that the usefulness of what we could expect to accomplish in the limited amount of time available to us in our preliminary report, was dependent upon the degree of co-operation we received from the participants in giving the work of this Inquiry high priority. We have received that co-operation and I wish now to express our sincere appreciation to all of the participants for the many ways in which you have assisted and facilitated our work.

1 I know too I can speak for
2 all of the participants as well as this Board, in
3 recognizing and expressing appreciation for the superb job
4 done by the Official Reporters in coping so well with the
5 heavy demands that our extended hearing hours and our
6 tight schedule placed upon them.

7 I must resist the temptation
8 to use this opportunity to thank our own staff for
9 responding to the impossible demands that we've made upon
10 them and whose job is not quite finished, but you will all
11 have noticed from what you have seen here in the hearing
12 room, that we're specially obligated to the Secretary of
13 the Inquiry, Miss Hutchinson, not only for her super-
14 efficiency and her organizing abilities, but for the un-
15 failing pleasantness with which she kept us all in line.

16 It will be equally obvious
17 to you that we are specially indebted to our incredibly
18 hard-working and very able Counsel, Mr. Goudge.

19 I am pleased now to declare
20 these hearings closed. Thank you.

21 (CONCLUDED).
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